Daily Report

Central Eurasia

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Russian Air Defense Chief on Establishing CIS Air Defenses

LD0802184495 Moscow INTERFAX in English 1711 GMT 8 Feb 95

[FBIS Transcribed Text] Almaty, Feb 8 (INTERFAX)—About five years would be required to create a united air defense system in the CIS, Commander-in-Chief of the Russian Air Defense, Colonel-General of Aviation Viktor Prudnikov told INTERFAX in an exclusive interview today.

He said CIS air borders were "very transparent" at present. Prudnikov said Russia was ready to grant necessary funds to CIS countries for ensuring higher flight safety and legal use of CIS air space.

Prudnikov said that Belarus, Georgia, Armenia, Kazakhstan, Tajikistan, Ukraine and Uzbekistan as well as Russia had stated their intention to create a single air defense system by now. He said the issue of creating a single air defense system would be finally resolved by the CIS leaders at their summit in Almaty on February 10.

Grachev: Border Defense 'Weakest' Point

LD0802184195 Moscow INTERFAX in English 1711 GMT 8 Feb 95

[FBIS Transcribed Text] Almaty, Feb 8 (INTERFAX)—Russian Defense Minister Pavel Grachev has stated that the present capabilities of the CIS air defense system "does not allow to close the holes in the CIS air borders."

Grachev told INTERFAX in an exclusive interview today that the CIS air defense system was the weakest aspect of CIS border defense. He said that to improve the air defense system it was necessary to create general forces for CIS air defense instead of united ones.

Grachev said that Commander-in-Chief of the Russian Air Defense, Colonel-General of Aviation Viktor Prudnikov, would be the best man to head the united CIS air defense forces .

Grachev said he will make his position known at the meeting of the Council of CIS Defense Ministers, planned for February 9 in Almaty (Kazakhstan).

Grachev said that not all air defense systems of the ex-Soviet republics were currently not functioning. He said the part of the air defense system which Kazakhstan had received was functioning "not badly." Grachev said that the air defense systems in the Caucasus were functioning worse than in Kazakhstan.

Grachev said that integration between CIS countries in the military sphere could be developed by creating CIS coalition and united groups of forces. He said the issue would be carefully considered at the CIS summit in Almaty on February 10-11.

Armenia Opposes CIS Peace Pact in Present Form

LD0902102195 Moscow ITAR-TASS in English 0949 GMT 9 Feb 95

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Transcribed Text] Yerevan February 9 TASS—If Armenia's remarks are not taken into account, the republic will not sign in Almaty a pact on peace and stability in the Commonwealth of Independent States (CIS), Armenian Foreign Minister Vagan Papazyan said here on Thursday [9 February].

The minister, together with republican President Levon Ter-Petrosyan, departed for the Kazakh capital today for the Commonwealth summit.

The minister noted in an interview with republican television on Wednesday evening that the draft pact was submitted to the recent Moscow meeting of CIS foreign ministers.

"The document was unacceptable for us," Papazyan said. In the minister's opinion, the document makes "accent on territorial integrity and inviolability of borders. However, it ignores principles of human rights as well as rights of nations for self-determination".

A new discussion of the draft is to be held in Almaty today at a meeting of the CIS foreign ministers. Papazyan admitted that "Armenia is mostly isolated", advocating this position.

Papazyan noted that "our task is to try and convince our counterparts that there are also other approaches which should be taken into account".

Gen Samsonov on CIS Collective Security

MM0802163395 Moscow ROSSIYSKIYE VESTI in Russian 8 Feb 95 p 3

[Interview with Colonel General Viktor Samsonov, Chief of Staff for the Coordination of CIS States' Military Cooperation, by unnamed correspondent; place and date not given: "The Security Treaty Is the Shield of the CIS, Not Its Sword"—first paragraph is editorial introduction]

[FBIS Translated Text] The next "summit" of CIS heads of state is going to be held in Almaty 10 February to examine current questions of cooperation within the CIS framework. The day before there will be a session of the CIS Defense Ministers Council. Colonel General Viktor Samsonov, chief of Staff for the Coordination of CIS States' Military Cooperation. now answers your ROSSIYSKIYE VESTI correspondent's questions.

[ROSSIYSKIYE VESTI] Viktor Nikolayevich, for the CIS states the creation of a collective military security system is a new venture and few know about it at present. That includes the staff that you head. What is its main purpose?

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[Samsonov] To put it briefly, its purpose is determined by the title itself—the Staff for the Coordination of Military Cooperation Within the Framework of the CIS. Is this a new military structure? Yes and no. There used to be a Staff of the Joint Armed Forces created after the formation of the CIS in December 1991 which was a working organ of the CIS Joint Armed Forces High Command. Then its tasks and status were changed and it was renamed the Staff for the Coordination of Military Cooperation among the countries and it was simultaneously turned into a working organ of the Defense Ministers Council. So on the basis of the common opinion that has been achieved, I want to stress especially that our main and only purpose is to coordinate military cooperation within the framework of the recommendations and decisions adopted by the Council of Heads of State, the Collective Security Council, and the Defense Ministers Council of the CIS.

[ROSSIYSKIYE VESTI] But does there need to be a CIS collective security system at all when it has become obvious that on a global scale the international atmosphere has thawed?

[Samsonov] The change in the military-political situation in the world, which is characterized by a lowering of tension at a global level, has not yet led to the elimination of potential threats to the security, territorial integrity, and sovereignty of the states party to the Collective Security Treaty. The complexity and contradictory nature of national-historical, political, economic, social, military, and other processes in the modern world remain the reason why seats of military danger still exist. So the creation of a collective military security system within the CIS is necessary and urgent. Incidentally, there are no fundamental disagreements among the parties to the Collective Security Treaty on this question.

The member states have declared their readiness to exercise the right to collective defense and the immediate implementation of the mechanism of joint consultations for the coordination of their positions and the adoption of measures in the event of a threat to the security, territorial integrity, and sovereignty of one or several of the states. Initially the treaty was signed by the Republic of Armenia, the Republic of Kazakhstan, the Republic of Kyrgyzstan, the Russian Federation, the Republic of Tajikistan, and the Republic of Uzbekistan. Subsequently the Republic of Azerbaijan, the Republic of Belarus, and the Republic of Georgia affiliated to it. It is our common opinion that in the long term the participants in the Tashkent treaty could possibly correspond to the number of CIS countries.

The staff's experts believe that the normative legal basis of the collective military security system consists of the memorandum of the CIS Council of Heads of State "Basic Guidelines for the Integrated Development of the CIS" and the Long-Term Plan for the Integrated Development of the CIS adopted by the heads of state 21 October 1994.

[ROSSIYSKIYE VESTI] So the collective military security system is being created. What is its main purpose, Viktor Nikolayevich?

[Samsonov] The main purpose is the guaranteed protection of the interests, sovereignty, and territorial integrity of the states party to the Collective Security Treaty by maintaining strategic equilibrium in the world and the regions and also by deterring other states from aggressive intentions.

[ROSSIYSKIYE VESTI] What will the structure of the collective security system be like and what principle will it be built on?

[Samsonov] For the parties to the Tashkent treaty this was not an easy question. Nevertheless, we reached the common opinion that the creation of a collective military security system should be carried out on a regional basis. I would add that this is also the principled position of our Staff.

What brought us to this decision? First and foremost the community of interests, territory, language, customs, and tenor of life in the region. In addition, the regional principle for the formation of the collective military security system offers the participants the sovereign right to ensure their own security in the light of the geostrategic position of this or that region and affords the greatest independence. It is expedient to define the boundaries of a region on the basis of the coordinated common position of the states party to the Collective Security Treaty.

It is also obvious to us all that the Russian Federation's Strategic Nuclear Forces must be the most important component of the collective military security system that is being created and the basis of the nuclear might of the states party to the Tashkent treaty.

[ROSSIYSKIYE VESTI] Clearly the structure consists of the forces and means of collective military security?

[Samsonov] Of course. It is our common opinion that forces and means should mean the armed forces and other troops of the parties to the Collective Security Treaty; coalition forces and possibly in the future joint troops (forces); combined (joint) systems, for example, intelligence, control, surveillance of space, ABM defense...

And on the basis of the Defense Ministers Council viewpoint, there is another thing that I would like to say. To preserve peace and prevent or settle armed conflicts which could occur in the treaty member states it is expedient to create collective peacemaking forces and military observer groups. Such forces could include troops temporarily assigned by the parties to the Tashkent treaty in agreed quantities from the national armed forces after they have undergone the relevant prior training.

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[ROSSIYSKIYE VESTI] The collective security system will clearly require the creation of appropriate organs of military leadership too. What is your view on that?

[Samsonov] To resolve the concrete tasks of military organization and development and ensure collective military defense it is necessary, in our view, to create coalition organs of military management. Such organs could be the Chiefs of Staff Committee, the Joint Staff of the Coalition Forces and the Joint Commands of the coalition defense forces in the regions. The Chiefs of Staff Committee could be an organ of the Collective Security Council for the formation, training, and use of the forces of the collective military security system. It is expedient to entrust the Joint Staff with the tasks of studying and assessing the military-political and strategic situation, coordinating plans for the operational use of the coalition forces, and conducting peacemaking operations. It is advisable to create the Joint Commands in the regions on a coalition basis relying on the national organs of the military control of the region's states. They should be given full responsibility for managing the tasks of the planning and use of coalition forces for the region's defense.

[ROSSIYSKIYE VESTI] Viktor Nikolayevich, a lot will have to be done in order to create a collective military security system. In your opinion, in what sequence might this be carried out?

[Samsonov] At the initial stage it is important to complete the creation of national armed forces and elaborate and adopt the legal basis of the collective military security system. At the next stage it will be necessary to create the coalition organs of military management and the coalition troop groupings that I have already mentioned.

We need more active help from the defense ministries and the general (main) staffs of the Collective Security Treaty member states.

[ROSSIYSKIYE VESTI] How do you envision our collective military security system in, say, 10 years' time?

[Samsonov] Many of the parties to the Tashkent treaty agree that ultimately the CIS will embark on the creation of joint armed forces under a common coalition command. That will be more convenient, advantageous, and efficient in all respects. But for that to happen there must be appropriate political, economic, and social preconditions and complete coincidence of views on the problems of military security.

Details of 10 Feb CIS Almaty Summit Agenda

LD0902094995 Bishkek Kyrgyz Radio First Program Network in Russian 0600 GMT 8 Feb 95

[FBIS Translated Text] The members of an official state delegation of the Kyrgyz Republic participating in the regular meeting of the heads of the states and governments of the CIS countries have been named. The meeting is to be held on 10 February in the capital of Kazakhstan, Almaty. The delegation will be led by the president of the republic Askar Akayev. The members are Prime Minister Abbas Dzhumagulov, the head of government; presidential state secretary Dzhumabek Ibraimov; adviser on international issues Isenbay Abdurazakov; the president's head of protocol Sultan Zakirov; presidential press secretary Kamil Bayalinov; Foreign Minister Rosa Otunbayeva; Defense Minister Myrzakan Subanov; Anarbek Bakayev, the chairman of the State Committee for National Security; Andrey Iordan, the chairman of the State Commission on Emergencies; Trade and Industry Minister Andrey Iordan; Talaybek Koichumanov, the chairman of the State Committee for Economy; and Dzhanysh Rustembekov, the head of administration of Osh region.

The executive secretariat of the CIS has announced the agenda for the meeting of heads of state on 10 February in Almaty. There are 11 items so far:

1. Address to the peoples of the CIS member states and the world public on the occasion of the 50th anniversary of victory over fascism.

2. Package [as heard] on maintaining peace and stability in the Commonwealth of Independent States.

3. Coordinated measures for restoring and preserving a common scientific area within the CIS framework.

4. Agreement on the concept plan for guarding CIS states' external by the border troops of CIS members.

5. Treaty on cooperation on protecting the internal borders of CIS members.

6. Situation on the Tajik-Afghan border.

7. Protocol on the 24 September 1993 agreement by the CIS heads of state on collective peacekeeping forces and joint material and technical provision measures for these forces.

8. The foundations for customs legislation of the CIS members.

9. Chairmanship of the board of the CIS Interstate Economy Committee of the economic union.

10. Chairmanship of the CIS statutory bodies.

11. Any other business.

Defense Council's Ivashov Comments

MK0802134095 Moscow NEZAVISIMAYA GAZETA in Russian 8 Feb 95 pp 1, 2

[Interview with Leonid Ivashov by Maksim Isayev under the "Commonwealth" rubric: "Almaty Summit Will Help Stronger Collective Security. Confident of This is Lieutenant General Leonid Ivashov, CIS Defense Ministers Secretary"]

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[FBIS Translated Text] [Isayev] Scheduled sittings of the Commonwealth's Heads of State Council and the Heads of Government Council are to take place in Almaty on 10 February. What does the CIS Defense Ministers Council offers for the consideration of heads of their states?

[Ivashov] A package of documents on military questions proposed to the Almaty summit is voluminous enough. A number of documents propose the forming of a collective security system based on the 15 May 1992 Tashkent Treaty, while other documents aim at deepening military cooperation within the framework of all the Commonwealth states.

Belonging in the first group of documents are a collective security concept of the Collective Security Treaty states; guidelines for the deepening of military cooperation under the same treaty; and a declaration of the Treaty member states.

Also to be proposed are a number of documents regulating the operation of the Collective Security Council and of its working bodies.

The second group of documents is represented by: a concept for guarding the external borders by border troops of the Commonwealth member states; a treaty on cooperation in the guarding of the external borders; and an agreement on a unified air defense system.

The CIS Defense Ministers Council and the Cooperation Coordination Staff took part in drafting the documents on the 50th Anniversary of the Victory.

[Isayev] What do you expect the signing of the above documents will accomplish?

[Ivashov] First, the implementation of measures outlined in the Long-Term Plan of CIS Integration Development approved by the Heads of State Council on 21 October 1994.

Second, these documents are largely fundamental as regards the forming of a collective security system in the Commonwealth, and their signing will pave the way for other, more specific understandings and practical measures.

Third, each document passed within the CIS framework hampers disintegration processes, enhances mutual confidence, and brings our peoples and armies closer together.

I hope the results of the Almaty meeting will be positive.

[Isayev] The signing of a package of bilateral agreements between Russia and Kazakhstan has come somewhat unexpectedly for the public in the Commonwealth countries. This package contains a number of military questions that appear to me as sensational and dealing with integration in the military sphere. Could you briefly comment on the essence of the signed documents?

[Ivashov] I agree that the document on military matters signed by the presidents and heads of government of Russia and Kazakhstan have a sensational nature. This indeed marks a breakthrough in relations between the two fraternal countries. But I cannot see anything unexpected here. Specialists in various spheres are convinced today that there should be deep integration, the restoration of severed links, and this is what the peoples of our countries are urging for—but bureaucratic, financial, and legislative barriers form a rather solid "defense belt." Therefore, it has taken a tough political decision and a focusing of efforts on a narrow section of the front, to use a military analogy, to break it. Which was indeed done by the presidents and heads of state of the two countries.

The most radical solution in the military sphere perhaps is the creation of united groupings of armed forces. So far this is a decision concerning the principle, and painstaking work lies ahead to tune up all the delicate components of this question.

Serious progress has been achieved in the joint running of military infrastructure installations.

[Isayev] You spoke about the existence of bureaucratic, financial, and legislative barriers on the road to a deep integration. Could it happen that even after the signing of the documents by the presidents, they will only remain a piece of paper with sharp and resolute signatures? Indeed, there are plenty of such examples—take the military cooperation treaty between Russia and Kazakhstan signed in 1994....

[Ivashov] The danger is there, I'm sorry to say. "Its majesty the apparatus" has an amazing capacity to drown in mercenary calculations and coordination of major political decisions and, more important, to bear no responsibility for this. I hope the presidents of both countries are interested in developing as soon as possible mechanisms to implement the decisions made, and will give corresponding instructions. As for military specialists, there is no doubt they will reach mutual agreement, and the agreements on military problems will acquire the character of practical measures.

[Isayev] Can the bilateral agreements between Russia and Kazakhstan undermine the multilateral process of forming a system of collective security in the Commonwealth? Far from all CIS members are indeed ready for so resolute steps today.

Incidentally, the collective security concept submitted by the CIS Defense Ministers Council for the consideration of heads of states provides in fact for various levels of relations within the system depending on the readiness and potentials of the member states. This the first important thing.

Second, someone is supposed to march ahead in the integration process to set an example for the others. I am

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convinced that the example of Russia and Kazakhstan will be emulated by other partners in the CIS.

And third, multilateral agreements on collective military security matters, as a rule, cast in stone and regulate fundamental matters. Bilateral agreements make them more specific and create mechanisms for practical realization. If one compares the contents of the Collective Security Treaty and agreements between Russia and Kazakhstan, far from contradicting each other, the latter cast the former's propositions into concrete forms and practical measures.

Yeltsin: Collective Security Accord To Be Signed at Summit

LD0902110595 Moscow ITAR-TASS in English 1043 GMT 9 Feb 95

[By ITAR-TASS correspondent Igor Ivantsov]

[FBIS Transcribed Text] Moscow February 9 TASS—"I believe that the document on collective security of all countries of the CIS will be signed at the Commonwealth summit in Almaty", Russian President Boris Yeltsin told reporters on Thrusday before taking a plane to Almaty. He said the summit meeting will discuss two sets of items, altogether some 15 items. One set includes economic matters, the other matters of collective security.

Regarding the recent proposal of Kazakhstan's President Nursultan Nazarbayev for a pact among CIS countries, the president said: "We have always been attentive to such initiatives and, I believe, other participants in the meeting will also agree with the proposal to sign this memorandum".

ITAR-TASS Carries Press Review for 9 Feb

LD0902072695 Moscow ITAR-TASS in English 0518 GMT 9 Feb 95

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow February 9 TASS—Today's leading newspapers do not concentrate on any particular topic.

Writing about the situation in the coal industry, the ROSSIYSKIYE VESTI newspaper says the following in an article headlined "Do Workers Need Trade Unions and Actions They Call For?": "Alas, neither the old nor the new trade unions have become real unions. [punctuation as received]

"They have not even tried to start tackling a task the only one for civilised trade unions: to pay the same wages to workers of the same trade for equal work. However, one should not expect this in a country with an ailing economy."

The ROSSIYSKAYA GAZETA newspaper features an interview with Aleksey Alexandrov, chairman of the Duma (Russian parliament lower house) subcommittee on national security, who claims that "we have to deal now with machinations with promissory notes, plastic credit cards, hard currency cheques as well as stealing by infiltrating the computer network.

There are no methods of struggle in Russia against these crimes, let alone privatisation. According to some information," the newspaper notes, "criminal and foreign capital is laying hands on 55 per cent of property and 80 per cent of voting shares."

Writing about Moscow's geopolitical policy within the commonwealth, the NEZAVISIMAYA GAZETA newspaper notes: "Re- integration activities of Moscow in January 1995 were caused by some situational (provoked by the Chechen war) and strategic factors.

"Since their combination is of dynamic and unstable nature, it is difficult to make a definite conclusion whether the Kremlin's new line will take root."

Under the headline "Who Will Succeed Pavel Grachev?", the IZVESTIYA newspaper writes the following on its front page: "In actual fact, there is no ideal candidate for the post of defence minister who would meet all requirements and suit everybody.

"Therefore, it is possible that an unusual decision will be taken. It is possible that 'a dark horse' (however, very improbable) can pop up. Nevertheless, some circumstances will probably prompt Andrey Nikolayev, director of the Federal Border Service, to take a proposal which he clearly deserves and which he rejected twice."

According to a report by ROSSIYSKIYE VESTI, 191,911 refugees from the Chechen Republic were registered in Russia since December 8, 1994.

The same newspaper informs its readers that vegetable oil production in Russia in January amounted to 68 per cent from the corresponding figure in 1994. Incidentally, enterprises of the industry are already completing processing of seeds.

ROSSIYSKIYE VESTI also writes that "according to a decision by the Russian Government, vodka and other strong beverages with alcohol concentration of over 28 per cent are levied with an 85- percent excise, while liquors of lower concentration—with an 80- percent excise".

The KOMSOMOLSKAYA PRAVDA newspaper carries a sensational material on "a project of the century": the Moscow-St. Petersburg rail shuttle which will cost six billion U.S. dollars.

"According to the idea of project authors," the newspaper writes, "the bullet shuttle will negotiate 654 kilometers between Moscow and St. Petersburg in 2.5 hours. The electric locomotive will travel at a speed of 300 kilometers per hour."

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Western Policy on Russia To 'Become Tougher'

LD0902124595 Moscow ITAR-TASS in English 1215 GMT 9 Feb 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow February 9 TASS—Western countries' policy with regard to Russia will become tougher. The war in Chechnya may undermine Russian reform, which is realised full well on the other side of the Atlantic. This is the conclusion of Deputy Anatoliy Shabad after conversations with U.S. President Bill Clinton and other high U.S. officials. Shabad, one of the leaders of the Russian Choice group faction in the Duma, just returned from the United States and had a meeting with reporters in the State Duma on Thursday.

Shabad said President Clinton's response to the Chechen events is changing. "The Western democracy will not allow a war at the annihilation of the Chechen people. No one of Russian politicians can get away with this war", Shabad said.

Moscow on U.S. 'Anti-Iranian' Propaganda on Nuclear Issues

NC0902111595 Moscow Voice of Russia World Service in Persian 1630 GMT 8 Feb 95

[Sergey Viktorov commentary]

[FBIS Translated Text] Iranian-Russian nuclear cooperation, which is a very sensitive issue, has been in the limelight in the West and, first and foremost, in the United States of America. The Americans have repeatedly tried to pressure Moscow to curtail its relations with Tehran in the nuclear field.

(?Following) the agreement on completing the construction of the nuclear power plant between Russia and Iran, the U.S. Government recently made some calls to our country. Until now the Americans have repeatedly implied that they are [word indistinct] on Iran's wish to acquire technologies, which can be applied for the manufacturing of nuclear weapons. However, Moscow is not very enthusiastic on positively reacting to Washington's anti-Iranian remarks on nuclear issues.

At any rate, a senior Russian Foreign Ministry official said in a recent news conference with INTERFAX: Russia sees no reason for curtailing its cooperation with Iran in the nuclear area. According to this official, numerous inspections conducted by experts from the International Atomic Energy Agency [IAEA] have shown that the Iranians do not have the technological opportunities for working out a military-related nuclear program. Therefore, it was largely the result of such inspections that prompted the former Soviet Union in 1992 to sign a general agreement on building a nuclear power station in Iran and, in turn, inspired Russia to begin rather active cooperation with Tehran in that area.

The Russian diplomat believes that in their calls on Moscow to give up nuclear cooperation with Iran, the Americans are more concerned about removing their competitors rather than about protecting international security.

According to his information, bypassing sanctions imposed by America, U.S. companies are building up their trade with Iran through third countries and even stand almost first for the volume of turnover with Iran. He added: Moreover, despite their numerous loud statements, the Americans have presented no convincing proof of the fact that Iranian state structures support international terrorism, and their claims about Tehran's plans to develop its nuclear arms are also built on sand.

It should be said that we can fully agree with the recent remarks by the Russian diplomat in his interview with INTERFAX. Moreover, the Iranians acted very farsightedly by opportunely granting the international inspectors the opportunity to see their nuclear programs on the spot. The IAEA inspectors did not find any unfavorable point in the program. As a result, by relying on their research, Tehran can easily neutralize the U.S. propaganda onslaught on the nuclear issue. Moreover, (?naturally) Iran can call on the world community to react to a series of countries that are suspected of having the nuclear weapon. Iran did not hesitate to do so, and has called for an inspection of the nuclear program of Israel—its major opponent in the region.

Chernomyrdin on Visit to Slovakia, NATO, Chechnya

LD0802154995 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 8 Feb 95

[FBIS Translated Text] A Russian delegation led by Prime Minister Viktor Chernomyrdin will be visiting Slovakia at the beginning of next week, on 13 and 14 February. Yesterday evening, the Russian prime minister granted an interview to Slovak journalists accredited to Moscow. Slovak radio was represented by Maria Mikusova, our Moscow correspondent:

[Begin recording] [Mikusova] Prime Minister, there was a rather long gap between the meetings of the prime ministers of the Russian Federation and the Slovak Republic. What were the reasons for this gap on the Russian side and why now, at a time not set out in the long-term plans, are you going on a visit to Slovakia?

[Chernomyrdin in Russian fading to Slovak translation] This gap was caused mainly by the political situation on both sides. At a certain point in time, we were prepared to go on a visit, but certain circumstances interfered. In your country, there was a change of leadership and a preelection period. It is only now that we have decided to meet your new-old prime minister.

The agreement on the visit was concluded with Mr. Meciar and then our presidents met in Budapest [5-6

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December 1994]. They exchanged ratification documents and reached an agreement [as heard]. And then, I personally decided that my first foreign visit this year will be to Slovakia. I emphasize that the visit has not been delayed for any political reasons. Time was the decisive factor.

The situation in our country is not simple and it is not easy to travel at present. However, I shall go on this visit with great expectations. I am to meet Prime Minister Meciar, with whom we have in common the beginnings of our respective careers in our governments. At that time, he was the prime minister in Slovakia and I was here, at home, a deputy prime minister.

Slovakia is special to us. We view Slovakia as a friendly, close country, a relative. We have shared a lot in common in the past and the same applies to the present. I hope that the development in our relations progress in a constructive spirit. To some extent, I was satisfied recently with the growth in our bilateral exchange of goods. These are not big jumps, but stable and firm steps.

While preparing for the visit, we have drafted several agreements, some of which will be initialled during the visit. The agreements will lay good foundations for the development of our bilateral trade and economic relations. [end recording]

[Mikusova] As for the possibilities of increasing the exchange of goods between the Slovak Republic and the Russian Federation, especially higher Russian exports, Russian Prime Minister Chernomyrdin said that, in his view, the Slovak potential is not sufficiently utilized. The value of goods exchanged in 1994 was in the region of $1.5 billion. Russian exports to Slovakia formed a substantial part of this exchange. Raw materials, especially oil and gas, represented over 70 percent of this export. Slovakia's share of this trade was to the tune of $300 million. The revival can only be brought about by persistent companies with a matter-of-fact approach to trading. The governments can do nothing but create attractive conditions.

The journalists were interested to learn about the construction of the Yamal gas pipeline branch in Slovakia and the opening of a joint department store. The Russian prime minister considers the setting up of a department store to be a good form of cooperation and said he hopes that it will be set up. As for the Yamal pipeline, it is not enough to nurture hopes only. The technical and economic aspects of the project have been investigated; it is necessary now to seek a rational, mutually advantageous agreement.

Asked by Slovak radio about the Russian specific approach to European security and the role of the Organization for Security and Cooperation in Europe [OSCE] in securing peace in Europe, Viktor Chernomyrdin said:

[Chernomyrdin in Russian, fading into Mikusova report] I do not think Russia holds a specific view of the OSCE. We are promoting the principle of equality. In my view, the present-day Europe cannot exist without Russia. Our demands do not differ from those of the others. We only want to be like all the others, we want to be equal. We genuinely wish that the OSCE unifies, and not the opposite. Russia wants neither to separate nor to divide Europe. There has been enough of that already. We shall try to achieve a situation whereby the OSCE will continue to exist alongside with Russia.

As for the striving of some East European countries to join NATO, the prime minister voiced his doubts about the economic advantages of such a step. He further asked: against whom and why. The Russians are not indifferent to such a wish on the part of the East European countries. Russia, too, will cooperate with NATO. According to the prime minister, however, hurrying brings about nothing but new questions.

The journalists were also interested in knowing whether there is anything in the Russian Federation that can bring about cohesion and a constructive approach in this difficult period of the transformation of Russia's society:

[Begin Chernomyrdin recording in Russian, fading into Slovak translation] In the past, it was the effort to build socialism and the idea of communism that unified us. It was a certain goal. Suddenly, it is all different, but I do not consider it a tragedy for my country and our people. The president and the government must, first of all, create conditions for a better life for people. This is what must unite us. We are not creating market conditions for the sake of the market. We have made this clear, even though the process is very complex due to the size of the country, its nature, and other specific factors. My vision is very simple: a person who works well has to live well too. [end recording]

[Mikusova] Prime Minister Chernomyrdin took a stance on the solution to the Chechen conflict. In his view, the conflict brings about nothing good, but great suffering and, most of all, loss. Russia is seeking agreements with those who can decide, up to the level of field officers. The attempts so far have not brought any results yet. We shall welcome any opportunity to stop military activity, said Russian Prime Minister Viktor Chernomyrdin.

EU Committee Ruling on Agreement With Russia Viewed

MM0802144695 Moscow RABOCHAYA TRIBUNA in Russian 7 Feb 95 p 2

[Report by Aleksandr Sorokin: "'The Whole Point' Spotted at the Eleventh Hour"]

[FBIS Translated Text] The Economic and Social Committee of the European Communities was established by the Treaty of Rome (1957) with the aim of bringing together various economic and social groups to form a "Common Market" and to take account of their opinions and interests in the building of a new Europe.

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In accordance with the Maastricht Treaty the committee is tasked with drawing up expert assessments of all legislative acts adopted in the EU.

It was undoubtedly the events in Chechnya that prompted the Economic and Social Committee of the European Communities to speed up the elaboration of its conclusion on the Agreement on Partnership and Cooperation between Russia and the EU. Moreover, members of the committee deemed it necessary to preface their conclusion with a special statement entitled: "Chechnya: Stop the Armed Conflict Immediately."

And the general conclusion was as follows: "Not to ratify the Agreement on Partnership between Russia and the EU until the processes of reforming society and political life begun in Russia have reached the 'point of no return' and until an effective guarantee has been received that internal conflicts...will be resolved not by direct military intervention, but by political means."

On the other hand, the compilers of the report discovered that the agreement, unlike the treaties with the countries of Central and East Europe, entirely lacks clauses on social justice. The partners to the negotiations, as Jens Peter Petersen—the author of the report—believes, should understand that processes of transforming society entail profound social upheavals. It cannot be ruled out that democracy and the market economy could be rejected by the population because the humanitarian and social sacrifices are too great. Therefore, the committee advocates that the building not simply of a market economy, but of a social market economy should be enshrined in the agreement.

The report's author also insists that provisions guaranteeing the fundamental social rights of citizens, and also the rights of minorities, should be included in the agreement. The absence of social parameters in the document, in Mr. Petersen's opinion, leads to an unfair redistribution of state property and to social upheavals.

The committee members did not understand why, under the agreement, the EU labor market remains closed to the relatives of Russians having legal entitlement to work in the countries of the EU. It also remains unclear why the chapter on crime prevention does not include provisions on combatting the laundering of "dirty" money.

We also have plenty of questions. Where the social chapter disappeared to, what is understood by "point of no return," and why the Russian economy has been plunged—not without the help of our Western partners—into a state in which it is forced to stop producing even goods which formerly competed successfully with Western goods.

Diplomat Against Review of Sino-Russian Border Agreement

LD0802203195 Moscow INTERFAX in English 1751 GMT 8 Feb 95

[From the "Diplomatic Panorama" feature: by diplomatic corresondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow, Feb 8 (INTERFAX)—The Russian Foreign Ministry says it will be wrong to try to raise the question of reviewing the 1991 Soviet-Sino agreement on delineation of the common border in the east.

The agreement approved by the Russian parliament came into force as soon as President Boris Yeltsin signed ratification papers, Deputy Chief of the First Asia Department Leonid Moyseyev told Interfax on Wednesday [8 Wednesday].

He accused Governor of Amur Region Evgeniy Nazdratenko, Moscow's Regional Envoy Vladimir Ignatenko and other local officials of seeking their own political goals by raising the issue.

Nazdratenko now speaks of seeking to recover the lands that his predecessor Vladimir Kuznetsov has ostensibly given away to the Chinese, said the diplomat.

In his view, the arguments peddled out by opponents of the agreement were shallow. Taking advantage of China's difficulties in the 1930's, the former Soviet Union had arbitrarily moved frontiers inside Chinese territory, Moyseyev said adding that those lands would now have to be returned.

Thousands of Russians fled from Amur region in the wake of the 1969 border clash between the ex-USSR and China, the diplomat said. Does the regional government seeking to get the denunciation of the 1991 treaty want a repeat of that deplorable experience?, he asked.

It is "perfectly normal" to return to China what is its own territory, Moyseyev said. "Under the Beijing Treaty of 1860, to which Ignatenko refers, the border is to run along the Granitnaya River," but it was moved inside China for many kilometers. It is that territory in Ussuri District that the Primorye administration wants to remain Russian, the diplomat said.

That is "not the only misrepresentation" the Primorye leaders make, he said. "For example, in the Hangkai District of China not 300 hectares of arable land but a little over 200 hectares is going back to China. And not all of it is arable either."

"The Primorye authorities also gloss over the fact that, in the course of demarcation, Russia is not only giving away but is also gaining territory. In the same Hangkai District, the Chinese are handing over to Russia about 80 hectares of land. In other words, the demarcation means exchange of territory. But the Primorye authorities prefer not to speak about it," the diplomat said.

"During the Soviet-Chinese conflict of 1969, border region residents were fleeing Primorye by the thousand. Does the present-day administration of Primorye, which demands the denunciation of the 1991 treaty, want that sad experience to be repeated?" he said.

A conference of working groups on demarcation of the Russian-Chinese border will be held in Vladivostok

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February 9-11, committee on foreign economic relations of the Primorye territorial administration reported to Interfax.

A delegation of Russia's Foreign Ministry came from Moscow to Vladivostok to attend the conference. Ambassador at large Genrikh Kireyev, chairman of the Russian party in the Russian-Chinese demarcation commission, heads the delegation.

The conference will discuss results of the work for 1993-94 and will determine major trends of activity for 1995.

Well informed sources reported that demarcation works in Primorye are carried out with a great delay from the schedule, this is caused by unwillingness of the territorial administration to transfer part of its territory to China.

Accord Should Not Be at Russia's Expense

LD0802203095 Moscow INTERFAX in English 1751 GMT 8 Feb 95

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgenit Terekhov and others]

[FBIS Transcribed Text] Vladivostok, Feb 8 (INTERFAX-EURASIA)—The agreement with China on the demarcation of the border should not be carried out at the expense of the Russian side. The statement was made by the presidential representative in the Maritime territory Vladimir Ignatenko in an exclusive interview with INTERFAX.

"We checked the 1860 Beijing Agreement and compared a century old map with a modern one. They fully coincided. We favor friendship with our great neighbor, but if we give away at least one inch of land, tomorrow everyone will start demanding such inches from Russia," Ignatenko thinks.

The presidential representative sees the way out in Russian makers of the document admitting their mistakes and finding a way of correcting them. "The friendship of Russia and China will not suffer from that but it will be truly based on parity," he stressed.

Under the 1991 agreement China should get 300 hectares of fields in Khankay region, 960 hectares of cedar forests in Ussuriy region and 330 hectares along the Tumannaya river in Khasan region.

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Political Issues

Yeltin Describes Current Activities in Chechnya

LD0902124795 Moscow Radio Rossii Network in Russian 1200 GMT 9 Feb 95

[FBIS Translated Text] Russian President Boris Yeltsin today flew to Almaty to take part in a conference of CIS heads of state. Replying to journalists at the airport, the president touched on the situation in Chechnya:

[Begin Yeltsin recording] Naturally, Chechnya is of interest to everyone and even from the point of view of imparting information I will undoubtedly have to describe the situation there and how events are being forecast to develop, not that this would be done from the point of view of the president of Russia accounting for his actions, but, simply, by way of imparting information.

The troops are currently not taking part, they are taking part in creative work. Small groups of Ministry of Internal Affairs troops are disarming groups of people numbering five or so.

Ministries have now got going for real, this is from the point of view of communications, housing construction and, as for trade, it is being organized.

Naturally, this is not happening all at once. They lived in what amounted to inhuman conditions for three years, even more. It will not be possible to put everything to rights fast now, of course. But we will strive for this. [end recording]

Says Army Engaged in 'Creative Work'

LD0902111095 Moscow ITAR-TASS in English 1054 GMT 9 Feb 95

[By ITAR-TASS correspondent Igor Ivantsov]

[FBIS Transcribed Text] Moscow February 9 TASS—"The situation is developing normally" in Chechnya. "The troops do not fight there, but are engaged in creative work. Interior units in small groups continue to disarm the militants", Russian President Boris Yeltsin told reporters before leaving for a CIS summit in Almaty on Thursday [9 February].

According to the president, various ministries have become more active in restoring communications, housing and trade in Chechnya of late. "However, it is impossible to do everything at a time", he said adding that considerable material resources, food and consumer goods have been earmarked by the government for civilians who suffered during the war.

Yeltsin does not fear that the Chechen crisis may negatively affect CIS integration plans. He said the recently signed cooperation agreements with Belarus and Kazakhstan are a proof to that.

The president said he is going to inform CIS heads of state on the situation in Chechnya during the Almaty summit, but stressed that it would not be a report, but only information on the current state of affairs and future developments.

Publicist Claims 5,000 Servicemen Killed in Chechnya

LD0802204395 Moscow INTERFAX in English 1947 GMT 8 Feb 95

[FBIS Transcribed Text] Moscow, Feb 8 (INTERFAX)—The number of Russian servicemen killed in Chechnya reached 5000 by January 5, well-known publicist Yuriy Shchekochikhin said during the presentation of a book written by the former head of the Sixth Main Department of the USSR Interior Ministry, Major-General Aleksandr Gurov, in Moscow today.

Shchekochikhin, who returned from Groznyy the day before, told Interfax, referring to several Russian colonels, that there exists "two calculations of the number of dead in Chechnya: One for official publication and the another one for internal use."

Defense Ministry Board Soon To Analyze Chechnya Operation

MK0902094095 Moscow SEGODNYA in Russian 9 Feb 95 p 2

[POSTFACTUM report: "Defense Ministry To Hold Expanded Collegium Meeting"]

[FBIS Translated Text] The Russian Federation Defense Ministry plans to hold an expanded collegium meeting next week (14-15 February) to analyze the combat operation in Chechnya. Yuriy Mamchur, first deputy chief of the Defense Ministry Press and Information Administration, said that the collegium meeting would take place "in the near future," but its precise date would be set after Pavel Grachev's return to Moscow from his tour of CIS countries.

Yeltsin Fires 2 Deputy Defense Ministers

LD0902132695 Moscow ITAR-TASS in English 1245 GMT 9 Feb 95

[By ITAR-TASS correspondent Albert Kochetkov]

[FBIS Transcribed Text] Moscow February 9 TASS—Russian President Boris Yeltsin has issued a decree to relieve of their duties two deputy defence ministers of the Russian Federation—Colonel-General Matvey Burlakov and Georgy Kondratyev.

Yeltsin Overrides 2 Chuvash Presidential Edicts

LD0802195095 Moscow ITAR-TASS World Service in Russian 1745 GMT 8 Feb 95

[FBIS Translated Text] Moscow, 8 Feb (ITAR-TASS)—The Russian Government press service passed a

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communication to ITAR-TASS today, which says that Russian President Boris Yeltsin signed an edict today to suspend the edicts of the president of the Chuvash Republic "On M.F. Kiselev," and "On the minister of internal affairs of the Chuvash Republic," signed in November 1994, as they contravene clauses of Article 72 of the Russian Constitution, and Article Seven of the Law of the RSFSR "On the militia."

The Russian head of state's edict instructs Chuvash President N.V. Fedorov and Russian Internal Affairs Minister V.F. Yerin to settle the matter of the Chuvash internal affairs minister in accordance with the Russian Constitution and the laws of the Russian Federation.

Kozyrev Denies Russia Intending to 'Swallow' Belarus

LD0802202195 Moscow INTERFAX in English 1751 GMT 8 Feb 95

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Moscow, Feb 8 (INTERFAX)—Russian Foreign Minister Andrey Kozyrev denied rumors about Russia intending to "swallow" Belarus.

Kozyrev told Chairman of the Federation Council Committee on International Affairs Vladimir Podoprigora in Moscow today that "all rumors about Moscow intending to swallow its small neighbor are nonsense."

Kozyrev said that the large inter-state treaty with Belarus had been nearly completed. "Integration has nothing to do with the imperial policy," he added.

Kozyrev said he hoped that serious changes for the better would also take place in relations with Ukraine as Ukrainian President Leonid Kuchma had promised during his election campaign.

Further on Krasnov Appointment as Yeltsin Legal Aide

LD0902094695 Moscow ITAR-TASS in English 0913 GMT 9 Feb 95

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Transcribed Text] Moscow February 9 TASS—Doctor of law Mikhail Krasnov appointed assistant to the Russian president on legal matters by a presidential decree on Wednesday has "mixed feelings" about leaving his previous post, that of aide to presidential assistant for National Security Yuriy Baturin under whose patronage he worked for a year and a half. Krasnov told ITAR- TASS that his calling, actually, is to work in the Constitutional Court. The president twice suggested his candidature as a judge in the Constitutional Court, but the Federation Council invariably turned down his candidature.

Nevertheless, Krasnov admitted he is overjoyed at the fact that the activity of the Constitutional Court, a body that limits power, is resumed. Krasnov stressed that as a jurist he believes in the limitation of power by law.

When asked which draft laws he will produce at the beginning of his work in the new capacity, Krasnov said that he will continue the work. In the recent months he has been working on the president's annual message to the Federal Assembly. He wrote the section "authority and law".

Krasnov used to teach at the All-Union Extramural Juridical Institute where he got acquainted with Yuriy Baturin, then a student. Later they worked together at the Institute of State and Law. In the summer of 1993 Baturin invited Krasnov to work in the Kremlin.

As the presidential assistant for national security has so far been also performing functions of presidential assistant for legal matters, half of his workload now goes over to Krasnov. Suggesting Krasnov to important post, Baturin thus somewhat decreased his own powers among the president's associates.

Text of Decree on Oil Export Commission

MM0802144595 Moscow ROSSIYSKAYA GAZETA in Russian 4 Feb 95 First Edition p 4

[Decree No. 94 of the Russian Federation Government "On the Interdepartmental Commission To Regulate Questions Associated With the Utilization of the System of Main Oil Pipelines, Petroleum Product Pipelines, and Seaport Terminals for the Export of Petroleum and Petroleum Products Beyond Russian Federation Customs Territory," signed by Russian Federation Government Chairman V. Chernomyrdin and dated 30 January 1995, Moscow; accompanied by statute on said commission]

[FBIS Translated Text] The Russian Federation Government decrees:

The attached Statute on the Interdepartmental Commission To Regulate Questions Associated With the Utilization of the System of Main Oil Pipelines, Petroleum Product Pipelines, and Seaport Terminals for the Export of Petroleum and Petroleum Products Beyond Russian Federation Customs Territory and its personnel (not published) are confirmed.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

Statute on the Interdepartmental Commission To Regulate Questions Associated With the Utilization of the System of Main Oil Pipelines, Petroleum Product Pipelines, and Seaport Terminals for the Export of Petroleum and Petroleum Products Beyond Russian Federation Customs Territory [subhead]

1. The Interdepartmental Commission To Regulate Questions Associated With the Utilization of the System

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of Main Oil Pipelines, Petroleum Product Pipelines, and Seaport Terminals for the Export of Petroleum and Petroleum Products Beyond Russian Federation Customs Territory (hereinafter referred to as the Commission) has been formed to monitor the exercising of the right to utilize the system of main oil pipelines, petroleum product pipelines, and seaport terminals for the export of petroleum and petroleum products beyond Russian Federation customs territory.

2. In its work the Commission will follow the Russian Federation Constitution, federal laws, edicts of the Russian Federation president, decrees and other decisions of the Russian Federation Government, and this Statute.

3. In order to achieve the tasks for which it is responsible, the Commission:

considers proposals by the Russian Ministry of Fuel and Energy on the utilization of the system of main oil pipelines, petroleum product pipelines, and seaport terminals, questions of recruiting suppliers under intergovernmental agreements, and the quarterly petroleum and petroleum product transportation schedules worked out by this ministry and it coordinates them, ensuring priority is given to deliveries of products for federal state needs;

determines the procedure for revising petroleum and petroleum product transportation schedules in connection with the assignment of rights of access to the system of main oil pipelines, petroleum product pipelines, and seaport terminals;

considers and adopts decisions on disagreements on questions of granting rights of access to systems of main oil pipelines, petroleum product pipelines, and seaport terminals for the export of petroleum and petroleum products beyond Russian Federation customs territory, as well as on questions associated with the assignment of rights of access to the said systems;

analyzes the extent to which the Russian Federation domestic market is well supplied with petroleum and petroleum products and takes account of the delivery position when approving volumes of transportation of petroleum and petroleum products beyond Russian Federation customs territory in quarterly schedules;

submits quarterly reports on the results of its activity to the Russian Federation Government;

gives its findings on questions of organizing the export of petroleum and petroleum products beyond Russian Federation customs territory which require a decision by the Russian Federation Government;

has the right to receive the necessary data from statistical reports and other information from executive branch organs, enterprises, and organizations irrespective of their forms of ownership, as well as to bring in specialists from ministries, departments, and organizations to assist in its work.

4. The Commission is headed by a chairman appointed by the Russian Federation Government.

The Commission's personnel are confirmed by the Russian Federation Government on the recommendation of the Commission chairman.

5. Commission sessions are held at least once a month.

The Commission's decisions are considered competent if at least two-thirds of its members are present at a session. A decision is adopted by a majority of votes of the Commission members present at the session and is recorded in the minutes. If a Commission member disagrees with the decision adopted, at his request the minutes can reflect his dissenting opinion.

6. Decisions adopted by the Commission in accordance with its terms of reference are binding on all executive branch organs represented in the Commission, as well as on enterprises and organizations operating within the remit of these organs.

7. The Russian Ministry for Fuel and Energy is responsible for providing organizational and technical support for the Commission's activity. (endall) 4 feb aw/ jennings/ja 08/1513

Chubays Discusses Miners' Strikes, Wage Payments

LD0802220895 Moscow Mayak Radio Network in Russian 1620 GMT 8 Feb 95

[FBIS Translated Text] Miners are holding a Russia-wide one-day warning strike in various regions of the country today. We have already spoken about it in our "Panorama" program where Vitaliy Budko, chairman of the Russian Trade Union of Coalworkers, was interviewed. And now we are presenting the government's view. Anatoliy Chubays, first deputy prime minister, gave an interview to our correspondent at the White House.

[Begin recording] [Chubays] The real state of things is as follows: according to Rosugol [Russian Coal Corporation] data, the overall number of those on strike does not exceed 50 percent. We have the following specific figures: in Kemerovo Oblast, Kuzbass, of the six associations only one is fully on strike, the others are only partly on strike or even to a lesser degree. Open-cast mining is fully working in the country, in general. So one cannot say that all the miners to a man have stopped work; we cannot deny the fact, though, that a considerable part of them, indeed, suspended work or the loading of coal today.

[Correspondent] One of the miners' main demand is that wage arrears be paid. Some payments have already started. What payments has the government made by today?

[Chubays] We have the following figures. In January we had a very grave situation with the budget in general,

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with the implementation of state budget. We financed under 30 percent of the planned expenditure. Such difficulties are typical for the beginning of a year, a similar situation occurs almost every January. For this reason precisely we sharply reduced the finances for the miners, and in January they received only 100 billion rubles, much less than we had to give them. Very early in February, however, after the first government meeting we immediately allocated over 80 billion rubles to support the miners, in general, and of this sum more than a half went to Rostov. On the whole, in February we will be able to provide six times more funds for the industry than in January: 100 billion in January and 600 billion rubles in February. But to say along with the most extremist-minded trade union leaders that the government must pay the industry in general almost 10 trillion rubles during 1995 would simply mean that the government has to take away money from the teachers, doctors, or servicemen. This is absolutely out of the question. No political pressure of any political structures will make us take such decisions, this is impossible. At the same time, there are things which are feasible and can and should be solved.

I am not speaking here about the working issues which have already been solved. We have solved the issue of debts to the miners' pension fund and the fund of mandatory medical insurance, we have solved the issue of distributing the miners' current income for the first quarter as 50-50 percent split [as heard, not further specified] as well as a number of other working issues. Of the major issues there is a number of fundamental sources which are being dealt with in accordance with the decisions made at the government meeting. The first source is the additional 1.5 percent tax introduced by the State Duma. There are realistic sources there, some of them will be channelled towards the agrarian sector while a proportion can quite feasibly be channelled towards the coal miners. This is an issue which should be solved during preparations for a third reading, and it is in this sphere precisely that trade unions of miners should show activity rather than in the streets.

The second realistic issue which can and should be solved is an issue linked to the mechanism for the use of the Indian debt. And here the chairman of government has given relevant instructions, and tomorrow we will study this issue with professional economists and Rosugol. The third issue, which is equally serious is a potential loan which is being given to us by the World Bank. It amounts to up to 500 million dollars, it is a large sum which can and should be channelled to this industry, to its restructuring and speeding up reforms in the industry.

All these are realistic things which we are dealing with and implementing. I will repeat once again that nobody will succeed in forcing the government to take away money from those paid from the budget and give it to the miners. We will not do this under any circumstances. But we will do in full those things which are realistically possible and necessary. [end recording]

Miners Resume Work After One-Day

LD0902105495 Moscow ITAR-TASS in English 1026 GMT 9 Feb 95

[By ITAR-TASS correspondent Igor Ivantsov]

[FBIS Transcribed Text] Moscow February 9 TASS—All the Russian coal-mining enterprises which were on a one-day warning strike on Wednesday resumed their work. Coal mines are operating as normal, Vitaliy Budko, head of the committee of the independent coal miners union, told ITAR-TASS on Thursday [9 February].

Budko said that about 500 thousand workers, that is 80 percent, joined Wednesday's strike. The strike involved a total of 189 mines and 28 mining enterprises. Most workers supported the strike and this testifies they are firm in their determination to press their demands for several months' pay and observance of agreements. If the demands are not met, miners will start a strike on March 1, which will last for an indefinite period, Budko warned.

Military & Nuclear Issues

FITUR Notes 'Catastrophic' Plight of Defense Plants

MM0802142995 Moscow RABOCHAYA TRIBUNA in Russian 4 Feb 95 p 1

[Report by Albert Kubarev under the "News From the Federation of Independent Trade Unions of Russia" rubric: "While Some 'Lie Still,' Others Storm Offices"]

[FBIS Translated Text] A catastrophic situation has taken shape at enterprises in Severodvinsk, Arkhangelsk Oblast. Builders of submarines and nuclear-powered ships have not been paid since last October. Four of their representatives have come to Moscow and given a news conference at the FITUR [Federation of Independent Trade Unions of Russia] headquarters.

The petitioners reported that as long ago as 9 December V.S. Chernomyrdin set the following task: "Take urgent measures to pay for work fulfilled in accordance with the state defense order." Similar tasks have been signed by First Vice Premier O. Soskovets. But not one of them has been fulfilled.

Since the enterprises do not make payments to the city budget, funding of municipal services, hospitals, and schools in Severodvinsk has also been suspended. The situation is also exacerbated by the fact that there are submarines in the city's waters.

All this has reduced people to a state of despair. As already reported, seven working people of the "Zvezdochka" Science and Production Association and four from the "Arktika" SPO [expansion unknown] have declared a hunger strike in a compartment of a submarine which is being modernized.

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At the news conference the shipbuilders declared that the hunger strike has been interrupted in connection with their trip to the capital.

Strategic Missile Forces Chief Interviewed

MM0802154495 Moscow KRASNAYA ZVEZDA in Russian 8 Feb 95 p 2

[Transcript of conversation with Colonel General Igor Sergeyev, commander in chief of the Strategic Missile Forces, at the KRASNAYA ZVEZDA Editorial Office, transcribed by Gennadiy Miranovich and Aleksandr Dolinin; date not given: "Colonel General Igor Sergeyev: Missilemen Have Launch Keys, President Has 'Nuclear Attache Case'"—first two paragraphs are introduction]

[FBIS Translated Text] The pulse of the Army.... It can of course be felt best of all by people directly in command of the troops. We saw that once again during a recent meeting at the editorial office with Colonel General Igor Dmitriyevich Sergeyev, commander in chief of the Strategic Missile Forces [SMF]. Moreover, you have the report on this meeting in front of you, esteemed readers. So judge for yourselves. We intend to carry on using this format to brief you on the life of the Armed Forces and their pressing problems at first hand, so to speak.

Thus, the commander in chief of the SMF answered KRASNAYA ZVEZDA journalists' questions.

[KRASNAYA ZVEZDA] Igor Dmitriyevich, in the context of the general criticism of our army, which has once again increased with the start of events in Chechnya, the public opinions voiced by all manner of "experts" regarding Russia's nuclear potential sound particularly sinister. They say that it poses a threat not so much in terms of combat specifications as owing to its status: The nuclear weapons [zaryady] are outdated and the missiles are becoming unserviceable.

[Sergeyev] The SMF are barely older than the average age of the officers and warrant officers on combat alert duty. But with the proclamation of the Soviet Government decree in December 1959 setting up the SMF the world saw that the USSR had a nuclear-missile shield. And that there are delivery vehicles capable of putting a payload into space orbit and delivering warheads to a target.

With the collapse of the Union our troops acquired the status of Russian troops. The last three years have been devoted to their establishment as such. Today I can confidently say that the SMF are the main component of the country's strategic nuclear forces.

The supremacy of the SMF in Russia's strategic triad is determined by many factors. In particular, two-thirds of the strategic nuclear forces' delivery vehicles form part of the force composition of the SMF, and three-fourths of the nuclear munitions are concentrated there. What is more, the SMF's weapons have high technical specifications, which are in no way inferior to the arms of our current partners and in some parameters have the edge over the other components of the strategic nuclear forces. This edge resides in their level of combat readiness, almost equivalent to that of a gun ready to fire; their accuracy; and the systems' survivability and controllability. The SMF are the only branch of the Russian Armed Forces where both the weapons and the troops are commanded by the president and the defense minister. The president can give an order to each launcher, setting target designations for each warhead.

As for the status of the missiles, nuclear weapons, and support systems, the publicly voiced opinions regarding an alleged threat have no objective foundation. The SMF have developed an adequate, reliable system for commissioning nuclear missile weapons and for their routine servicing and maintenance. All the requisite parameters are under constant automated monitoring. Should any malfunction arise immediate steps are taken and that is an unshakeable law for the missilemen. All levels of command monitor the elimination of a malfunction from the moment it appears until it has been completely eradicated. Every launcher's status is reflected on apparatus at all echelons of command, which ensure highly reliable control. Despite the well-known difficulties I would like to stress that the SMF's attitude to nuclear-missile weapons has not changed; on the contrary, additional steps have been taken to ensure the required security. [Sergeyev ends]

Question from the floor:

What do you as commander in chief have to do with the "nuclear attache case"?

[Sergeyev] It is in the hands of the president and the defense minister. I am personally accountable for the status of the troops and the missile systems and their readiness to perform their assigned tasks....

To come back to the question of the status of the SMF I must point out that, notwithstanding all the ups and downs, it is satisfactory. In terms of the main parameters for combat readiness, for instance. We have not reduced the level of combat readiness and we have retained centralized command and control. Not only in Russia but also in Ukraine, Belarus, and Kazakhstan. The situation there, including when it comes to implementing the START-I and Lisbon Protocol accords, varies. Each country has many difficulties. Less so in Belarus, more so in Ukraine, but now the situation even there has stabilized to a considerable extent. Ukraine is fulfilling its pledges to Russia. In particular, to return warheads. To date 420 warheads have been returned. Ukraine is meeting the schedule.

Difficulties have arisen in Kazakhstan....

[KRASNAYA ZVEZDA] Can't you tell us about this in more detail? After all, it is not only our missiles there but also our people....

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[Sergeyev] The divisions stationed in Zhangiz-Tobe and Derzhavinsk are armed with heavy missiles. The public knows them as "Satan." According to the START-I treaty the "Kazakhstani" missiles have to be destroyed within seven years. We plan to do this within two years. This year alone we want to remove five regiments in Zhangiz-Tobe from combat alert duty. And disband the division stationed there. But there are difficulties with this. The Kazakhstani Government is failing to find ways of resolving the question of the real estate that we must leave behind. It is in no hurry to accept our housing stock. Yet it is good stock, properly maintained.

To date 632 warheads have been withdrawn from Kazakhstan and 266 remain. But the Kazakhstani side has vetoed their removal. Now we have to create the conditions for the storage of the nuclear munitions. But it is difficult to maintain the requisite conditions of temperature and humidity in the storage facilities. During the preparations for winter one-third of the money planned for the troops to this end was invested in the "Kazakhstani" divisions.

You asked about people.... Officers and warrant officers who have been serving here since last May without other personnel have born all the strain of withdrawing the grouping and removing the complexes from combat alert duty. Under current laws we cannot send our enlisted men there and the Kazakhstani side has refused to provide draftees.

In a word, we need to leave Kazakhstan sooner. We are very costly. According to our calculations, tens of billions a year. Officers and warrant officers left there are working under a tremendous strain. But their only request is that their apartments are warm, that they are able to have a wash after working with toxic missile fuel components, and that they can return to Russia. [Sergeyev ends]

Question from the floor:

So, have they been abandoned by the state to survive on their own?

[Sergeyev] That formulation of the question is not entirely correct and is overly categorical. We fully appreciate the prevailing situation in the country. And the main thing now is not to aggravate the state of affairs but find reasonable and acceptable solutions.

It is bad that there is no state program for our troops' withdrawal from the near abroad. We are in effect withdrawing five divisions back to Russian territory but we have no program to provide them with housing as was the case with the Western Group of Forces, say. We can only count on our own resources and they are such that in 1994 we only managed to build 14 out of the planned 42 apartment blocks. You yourselves realize that we have nothing to sell; we are not trading in missiles or missile technologies. Extrabudgetary funds are a drop in the ocean. Thus the housing problem has worsened. Some 11,000 missilemen on combat alert duty may end up homeless this year. On average each one of them is on combat alert duty one in three days of the year. At a depth of 40 meters, in draughts, under the strain of combat drills....

We will of course do everything we can to improve their living conditions. But can state structures keep aloof from this process? The missilemen are not only under increased strain on combat alert duty but the amount of dangerous work with warheads, missile fuel components, and dismantling silo launchers for destruction has increased inordinately.

[KRASNAYA ZVEZDA] Igor Dmitriyevich, how do the SMF look today structurally? Has the reorganization being carried out within the Armed Forces in connection with military reform impinged on them?

[Sergeyev] There can be said to be two kinds of troops within the SMF. The first are armed with fixed-site complexes. These are individual launch sites dispersed around the position area. At a distance that precludes two launchers being hit by one nuclear warhead. They make up around 60 percent of the grouping. Individual launch sites have a high degree of protection. Each launcher has its own receivers. Even if the command posts are disabled, the launchers are able to receive and carry out orders.

The second kind are mobile troops. They comprise launchers based on a road-mobile chassis and railroad platforms. Namely autonomous launchers like "Topol" with a single-warhead nuclear missile and rail-mobile missile systems with missiles that the West calls "Scalpel." There are 36 of the latter.

The fixed-site troops are destined to carry out a retaliatory-counterstrike [otvetno-vstrechnyy udar]. Incidentally, none of the components of Russia's nuclear triad possesses this capacity. The mobile troops serve for retaliatory actions [otvetnyye deystviya]. They are a weapon of deterrence.

As for the reorganization of the missile troops in connection with military reform, it is being carried out within the framework of the decisions adopted. At the same time the structure of missile formations and units remains unchanged since it is subordinate to the weapons that have been developed and must match the requirements as regards the organization of combat alert duty and maintaining the readiness of the troops and the maintenance and servicing system, which guarantees the main thing—nuclear security.

[KRASNAYA ZVEZDA] Comrade Commander in Chief, doesn't the "Topol-M" modernized missile symbolize Russia's desire to "catch up with America" in the sphere of nuclear-missile arms?

[Sergeyev] By no means. This is a matter of necessity. Let me say more; by the early 21st century Russia may be left without any missiles at all. Until recently the SMF had

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seven kinds of missile system in their arsenal whereas they now have two fewer: The RT-211 (SS-13) developed by the S.P. Korolev Experimental Design Bureau No.1 and the UR-100K (SS-11), which was put on alert duty back in the days of N I. Krylov, have recently been taken off alert duty. These missiles have totally outlived their warranty periods. The metal was giving out. It was not only ineffective but also dangerous to keep them any longer. The same fate awaits many other systems which come what may will have to be stood down. They will be replaced by the above multipurpose "Topol M" system—for silo-launched and mobile missiles. The silo-launched version "Topol M2" will replace the SS-18 missiles and some of the SS-19 missiles. The first flight trials of the modernized missile have taken place and they were successful. This year it is necessary to conduct another six launches in order to carry out the president's decree. But just 36 percent of the requisite funds have been allocated for the funding of the experimental design work associated with this prestigious project. We have operated on credit, and wages have not been paid at enterprises.... There is no second "Topol M," never mind a series. [Sergeyev ends]

Question from the floor:

Why then are we getting rid of heavy missiles like the SS-18, which are unparalleled worldwide, and banking on the "Topol"?

[Sergeyev] The "Topols" suit us in every respect. Mobile launchers have a number of significant advantages. With the emergence of high-precision weapons it is easy to hit geodesically fixed installations, even hardened targets. In that respect "Topol" has greater survivability. It even has the edge over "Pioner," which has been destroyed under the Treaty on Intermediate-Range and Shorter-Range Missiles, and over silo launchers primarily because it is autonomous. "Topol" can be launched from any point on a combat patrol route. Even sophisticated space-based reconnaissance is vulnerable to it. Its combat readiness is high, comparable to the individual launch sites. And that lends it a multipurpose character. And an APU [presumably autonomous launcher—avtonomnaya puskovaya ustanovka] can be used both in a retaliatory-counterstrike and in a retaliatory strike. So, that system is preferable. But we are not abandoning individual launch sites since we intend to place a "Topol M2" with a single-warhead missile in silos.

As for the SS-18 heavy missiles, they are MIRVed and are liable to be cut back under the treaty agreements with the United States.

Moreover one must not forget that only one of Russia's three leading missile plants is left in Russia—in Votkinsk. There is no one to produce the former missiles. The division [of the USSR] into sovereign states has shown that strategic weapons should not be made even by friends. Only 60 percent of the defense enterprises that used to work for the SMF are left on Russian territory. We are now forced to develop our own Russian production-sharing and unite around 200 enterprises. The "Topol M" is entirely Russian from the least bolt to its high-technology systems.

[KRASNAYA ZVEZDA] But why are we giving up MIRVed missiles and switching solely to single-warhead missiles ?

[Sergeyev] Our own side and the American side deemed MIRVed missiles to be a destabilizing factor. MIRVed missiles are the result of the "Cold War" and the arms race. After START-II, which set limits on the number of launchers, there was a temptation to have a large number of warheads per launcher. And these systems were developed. But you cannot go on constantly threatening one another. Especially since the United States, as we can see, adheres to similar views and a similar line of conduct regarding nuclear deterrence.

START-I and START-II, which reduce the threshold of nuclear danger, are beneficial for us. If we stop at the level we have attained—3,000-3,500 warheads—then compared to the U.S. strategic nuclear forces we will have reduced by a factor of four the difference in terms of counterforce potential and we are virtually comparable in terms of the potential for retaliatory action.

We lost out over the system of combat command and control. The U.S. system of command and control was more sophisticated. Moreover, ours was manufactured solely in Ukraine. Therefore we were forced to develop our own, more modern system.

Last year we conducted a military-technical experiment within the framework of the combat command and control system. This is a computerized, automated system. It has been installed on launchers and command posts. And it makes it possible to have a "battle" of skill not numbers.

This experiment, conducted with the Defense Ministry and the General Staff, confirmed the system's promise and the correctness of the design solutions, as enshrined by the government decree.

The new system may become the basis of the combat command and control of the strategic nuclear forces. This is all the more important in that, in our view, the integration of the strategic nuclear forces is inevitable. [Sergeyev ends]

Question from the floor:

Can a missile take off with a malfunction?

[Sergeyev] Yes, it can. The reliability of missile weapons is ensured by the whole system of commissioning and warranty inspection and servicing by the manufacturer throughout the life of the missile system. Reliability is design-based. But whereas previously designers provided double or triple backup systems, now they multiply [mazhoritiruyut] them. This means that there may be faults in a missile but the signal will find the way to its ultimate objective. And override the malfunction

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[vydannyy impuls naydet put kotoryy vyvedet k konechnoy tseli. I minuyet otkaz]. That boosts the degree of reliability.

....On the whole, notwithstanding all the problems within the SMF, they are seeking means of resolving them. And you can have no doubt that anything that is up to the missilemen themselves will be done.

Missile Disarmament Reportedly Behind Schedule

AU0902114595 Berlin TANGO in German 9 Feb 95 pp 39-40

[Report by S. Schellenberg and S. Hutchinson: "Scandal at Russia's Nuclear Graveyard"]

[FBIS Translated Text] The entrance to the Russian nuclear missile graveyard in Surovatikha, 400 kilometers east of Moscow, is heavily guarded. Only with a permit right from the top, from the general staff of the Russian Army, is TANGO allowed to pass the men carrying Kalashnikovs. Moving through a thicket on a bad road, we arrive at "work station no. 101," a dilapidated building made out of dirty concrete plates. In front of it, gigantic metal pipes with a diameter of three meters are rotting away, as if they had been left there carelessly: SS-18 nuclear missiles, NATO code name "Satan." From the Russian launch pads they are able to reach any point on Earth and devastate entire cities at one blow. Here in Surovatikha the world's biggest intercontinental missiles are waiting to be scrapped.

Actually, they should have been destroyed long ago. But Russia is lagging behind its internationai obligations for disarmament—out of sloppiness, out of lack of money, and, perhaps also because President Boris Yeltsin and his Defense Minister Pavel Grachev do not like to give up their dangerous toys. The Kremlin is supposed to scrap 44 of the 300 SS-18 missiles, which are still stationed in Russia—this is required by the SALT and START disarmament treaties—until all "Satans" have been reduced to scrap. However, last year the disarmers in Surovatikha managed to scrap only 36 missiles, the year before just 32.

The proper dismantling of a missile takes 10 days. "The disarmament of the nuclear superthings will take at least another 10 years," it is said in Surovatikha, even though last autumn Bill Clinton and Boris Yeltsin grandly stated that the missiles are being scrapped "much more quickly than required by the treaties."

Colonel General Igor Sergeyev, commander in chief of the strategic missile forces, is hardly bothered by international agreements: "The gigantic nuclear missiles are not destroyed out of love for peace," the highly decorated officer admits, because nowadays there are more "promising" and more mobile missiles.

In Surovatikha security regulations are not so strict. Bored, a single young men with a gun is patrolling in front of the nuclear mass destruction weapons. A few meters away two uniformed men are pillaging the valuable metals of the supermissiles. "Here one can find gold, silver, platinum, and lots of nonferrous metals," the soldiers say. After all, each "Satan" contains several kilos of rare metals.

The Dangerous Missiles Are Turned Into Garages for Cars

The pillaging has a reason: The soldiers have not received any pay for months. Thus, they are pursing their little deals with a lot of imagination: They are selling the large missile pipes as light garages for cars, smaller ones can be used as sewage pipes in road construction. Armament conversion a la Russe.

The arbitrary ransacking of the "Satans" is not without dangers. The nuclear warheads—up to one metric ton per "Satan"— have been defused, but there remains highly poisonous fuel in the missile. Workers are tackling the corrosive acids using gas masks, protective suits, and special suction pipes.

The experts of the Surovatikha missile graveyard have long applied to Moscow for new equipment to be used for practical disarmament. "But no one gives us money," chief engineer Vladimir Bessarab says angrily. "If things continue as they are, I do not know how we can keep our international obligations.

Some people, like Lieutenant Sergey Ivanov, are not particularly eager for this to happen, anyway: "All the beautiful technology ruined; that is sad."

Early-Warning System Chief on Norway Incident

MM0802125095 Moscow KRASNAYA ZVEZDA in Russian 7 Feb 95 p 2

[Interview with Lieutenant General Anatoliy Sokolov, commander of the early-warning system army, by Oleg Falichev under the "Facts and Conjecture" rubric; date, place not given: "'Iron Cucumbers' in Dangerous Orbits. Necessary Postscript to Norwegian Missile Incident"—first two paragraphs are introduction]

[FBIS Translated Text] The mass media have all "settled down" after the stir over the incident with the Norwegian missile, which one television presenter for some reason compared to an "iron cucumber." And many readers may have already forgotten about it. You would have thought that it was particularly inappropriate for KRASNAYA ZVEZDA to return to the "defunct" topic. And we had no intention of doing so had it not been for one thing, but....

Literally a few days ago, 30 January, a similar incident occurred involving a Chinese ballistic missile. However, the mass media did not say a word about that. What is going on here? Lieutenant General Anatoliy Sokolov, commander of the early-warning system army, answers this and other questions.

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[Falichev] Anatoliy Vasilyevich, as I understand it, none of my journalist colleagues asked you for details about the Norwegian missile. Although you are not only the repository but also the prime source of such information. It was your subordinates who detected the target and "patched it through," so to speak, to the defense minister's and president's screens.

[Sokolov] That is right. The information is initially put through automatically. The early-warning system was after all developed to detect a missile attack on the country and to provide the military-political leadership with the information necessary to adopt the final decision regarding the use of our own nuclear forces within as short a time as possible. At the same time the reliability of the information is ensured at several levels. At the first echelon, by the space-based ballistic missile launch detection system. At the second echelon, by the over-the-horizon detection systems stationed around the perimeter of the former Union in Pechora, Murmansk, Skrunde (Latvia), Mukachevo and Sevastopol (Ukraine), Mingechaur (Azerbaijan), Balkhash (Kazakhstan), and Irkutsk. We realize that even if we tell a lie only once we suffer a loss of confidence in us. And that affects all our work, including the fact that only educated officers who have undergone special training are allowed on combat alert duty. The system carries a tremendous safety margin and has several levels of defense, which preclude false information being given to the military-political leadership.

[Falichev] You were fated recently to have the attention of virtually the whole country riveted on you. Some people viewed this situation as one that had been artificially created to boost the "Armed Forces' flagging prestige." What can you say about that?

[Sokolov] You know, I am glad that we have, for the first time, talked about the early-warning system with its various levels. At least our people now know that this system exists. Although it should have been said 22 June last year when the president directed the drill in the command and control of the strategic nuclear forces. But on our television screens we only saw the "Topol" missile being launched from the northern test range..... But what preceded it? How and on what grounds did the president make the decision to use his own nuclear missile forces? No one saw that. Yet it is our warning system that provided the country's leadership with the information needed to make that decision. And I think that we can only take pride in that fact.

As for the Norwegian missile, the system worked as it is supposed to work in a real situation. An unplanned combat crew drill can be said to have occurred. Although naturally we were all stressed, as were the Air Defense Main Command and the Defense Ministry too. Judge for yourself. At 0923 the operational duty officer reported the detection of a ballistic missile launched from Norwegian territory. What kind of missile was it? What was it carrying? We had had no notification of upcoming work. The missile was traveling at an altitude with an apogee of 1,500 km and a range of 1,500 km. But had it been launched on the optimum trajectory the range would have increased to 3,500 km. And that is the distance to Moscow....

As has now become clear, the information that this was a geodesic missile got bogged down somewhere at Foreign Ministry level. But what are we here for? We honorably performed our combat mission. That is all.

[Falichev] But perhaps that information was at the Central Command Post at that moment?

[Sokolov] As far as I am aware, neither the Air Defense Central Command Post nor the General Staff Central Command Post had any advance information on the Norwegian missile. The launch of a civilian missile and a missile carrying a warhead—particularly early on in their trajectory—are virtually identical. And we were simply obliged to treat it very seriously. Although I would stress that the whole mechanism for formulating the decision to take appropriate action was not ultimately cranked into action.

[Falichev] That is, in the situation that had arisen you were simply obliged to alert the president to the Norwegian missile?

[Sokolov] Yes, we were. We did so within a matter of minutes after its launch, reporting later that it had come down in the Spitzbergen area. Regrettably, INTERFAX announced this in a quite distorted form, presenting it virtually as Russia's preparing to carry out a retaliatory missile strike. And television saw it as practically our conspiracy with Norway to launch an "iron cucumber"—the blockheads [bolvanki—as published]. Therefore we were forced to send an appeal from the army's military council and personnel to the president and the defense minister saying that we regard all this as a fabrication aimed at undermining the prestige of the Armed Forces.

But a virtually identical incident involving a Chinese missile may have confirmed the absolute correctness of our action more convincingly than anything. Quite recently, 30 January, the early-warning system detected a similar ballistic missile launch from China. It was carried out from the Wuzhai test range without the formation's combat crews receiving prior notification. As prescribed, we provided command posts with information warning that a ballistic missile had been launched with an impact area in the Takla-Makan Desert. And I think that this signal was also perceived to be appropriate to the situation. You realize that it makes absolutely no difference to us whether it is a meteorological rocket, a test missile, or a live missile. I treat it just as I should in the worst-case scenario.

[Falichev] One last question, Anatoliy Vasilyevich. A great deal is now being said about the country's budget, about how much should be allocated for the upkeep of

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the Armed Forces.... What proportion of this expenditure goes on your formation?

[Sokolov] Let me tell you. It is a quite negligible amount when compared to that allocated to the Armed Forces. Yet the early-warning system is the greatest creation of Russia's finest brains. It is what enables Russia still to be called a great power. In 1994 alone we intercepted and provided information regarding over 70 launches of various delivery vehicles. In a word, the early-warning system is the president's eyes and ears and is a factor deterring countries that possess nuclear missile weapons from using them.

But, apart from purely military tasks, we do also have civilian missions. The early-warning system monitors near-earth space. Without which it is simply impossible to carry on the programs for the development of television, perform reconnaissance tasks, launch manned spacecraft, etc. Thus, there is not a whiff of reduced-price "iron cucumbers" from the Norwegian store here.

Mikhaylov Sees Oilmen Behind Antinuclear Move

MK0802142095 Moscow MOSKOVSKIYE NOVOSTI in Russian, No. 9, 5-12 Feb 95 (Signed to press 7 Feb) p 14

[Interview with Viktor Mikhaylov, Russian atomic energy minister, by Vladimir Orlov in the "Security" column: "Who Attacks the Atomic Industry and Why"; place and date not given—first paragraph is introduction]

[FBIS Translated Text] "In the campaign unleashed against us, one can discern the trace of the gas and oil complex," Viktor Mikhaylov, Russian atomic energy minister, is convinced. He is known as an experienced professional, an expert lobbyist for his sector, and an intransigent polemicist. It may be due to his tough position, which is not subject to seasonal fluctuations, that Mikhaylov has earned respect in the West, although this respect is tinged with a share of misgiving. He calls himself a "hawk." In an interview with Vladimir Orlov the minister made a number of other sensational statements.

[Orlov] Viktor Nikitovich, it is no secret that so far, inventorying, control, and physical protection of nuclear materials are at a level below what is required.

[Mikhaylov] As far as nuclear weapons-grade materials are concerned, the system of their inventorying and storage ensures their unconditional—I stress, unconditional—security. Such materials cannot just disappear into thin air. Although some problems do remain.

Internal Affairs Ministry Officers 'Steal' Nuclear Materials

Problem One: Better storage facilities need to be built. We have an agreement with the United States on building storages, including on designing them. True, the Americans have so far allotted $15 million for this project, taking $14 million for themselves and giving us only $1 million. At the same time, this project is handled 90 percent by Russian design organizations. The Americans liked our designs; they will build new storages for themselves according to our design because we share our documentation with them.

Problem Two: containers. We have an agreement with the United States on this count. We need some 100,000 containers. At present we produce up to 10,000 containers a year.

The question of low-enriched uranium (up to 20 percent on isotope 235) stands apart. We produce a sufficient quantity of this uranium every year: For all our nuclear power stations, for the East European countries, for Finland.... The work regime and the inventory system here naturally differ from procedures in the nuclear weapons complex. But here market laws come into play. Such uranium can and should be sold. And to those who buy it we shall give a large amount of material in the bargain, as a bonus for such an acquisition because it is very difficult to access this market.

[Orlov] But there have been documented instances of uranium thefts: in Elektrostal, Podolsk, Glazov....

[Mikhaylov] Thefts are mainly committed by provocateurs. I recently visited the Chepets Mechanical Plant. They store hundreds of thousands of tonnes of waste left after the extraction of uranium-235, which costs just a few bucks [per kilo] on the world market. And suddenly some mysterious men come and offer plant workers $10,000 or $100,000 per kilogram instead of $1 to $5. Naturally, a temptation can arise.

[Orlov] Who are these provocateurs, as you say?

[Mikhaylov] People from the Ministry of Internal Affairs. I asked the Udmurtia internal affairs minister: "Why are you doing this?" He said: "We need to identify possible channels." I told him: "You realize, of course, that this is a provocation pure and simple." Criminal cases have been opened against several men: unskilled laborers, metal workers, fitters; they will be put on trial. They brought a sample, got their dollars, and had no sooner made it home and told their relatives the good news than they were handcuffed, had their dollars taken away, and were put in jail. And interior officers in plain clothes get promoted. Of course, each department can have its own methods and ways of working, but surely not such! I gathered the local public and said: "Tell everybody that you will not have even make it to the shop and buy a bottle of vodka: you will be arrested and all your money will be taken away."

Greenpeace Financed With Petrodollars?

[Orlov] Was it not the same method that the German special services tested in Munich in 1994?

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[Mikhaylov] Indeed. Apparently the Germans discovered plutonium. Apparently it arrived on a flight from Moscow. Next something incomprehensible began. The material seized in Munich was not given to Russia for analysis. Yet every plant has its own "identity," which is easy to establish by the number of "extra" isotopes in the material.

[Orlov] In other words, each enterprise can be fingerprinted so its products will not be mistaken for any other enterprise's....

[Mikhaylov] Precisely. Why, then, was the material given not to Russia but to Los Alamos, to the National Laboratory of the United States? But even that laboratory said that the material was not weapons-grade but a uranium-plutonium fuel mixture. Then the substance captured was given to the IAEA for analysis, which showed that the material was not of Russian origin. The noise began quietly to subside. And what an uproar there was before that! Kohl issued a series of statements, and Schmidtbauer arrived. Maybe the subtext was to show that Russia is incapable of handling its own nuclear industrial complex and therefore it must be placed under Western control?...

[Orlov] Is such a prosaic reason as economic competition not more likely?

[Mikhaylov] This is not ruled out. I said earlier that competition on the world nuclear materials market is getting tougher. Russia is making steady headway, for instance in China and Iran. Consumers like our uranium: It is purer and cheaper than American uranium, and we have the world's best enrichment technology.

The time has finally come to say frankly: In the campaign against the Russian nuclear industry one can discern the trace of the oil and gas complex.... There is hardly any need to say what powerful lobbyists are acting in its interests. I, for one, would not be surprised to learn that Greenpeace is financed with, among other things, "petrodollars." In Europe such an attack is partially successful. In Japan, North and South Korea, China, India, the Middle East, Latin America and the Caribbean, nuclear engineering continues to maintain its positions and gain new ones. That these regions favor the active development of nuclear engineering also annoys the oil and gas industry lobbyists. Is it not through them that some "revelations" about "nuclear smuggling," which eventually turn out to be plain "hoaxes," get to reporters?

[Orlov] Did you know in advance about Operation Sapphire involving the sale of Kazakhstan uranium to the United States?

[Mikhaylov] We knew very well that the material was in Kazakhstan; we were offered it at one time. But we refused because we have such material. And suddenly the United States gave this routine operation such a loud name as "Sapphire," then trumpeted it throughout the world, held a pompous press conference with the participation of three ministers.... The ministers highlighted the great contribution the United States made through Operation Sapphire to the cause of nonproliferation of nuclear weapons and technology. Of course, we know how the United States is helping Kazakhstan and Ukraine in dismantling and destroying the launching pads, and we respect this assistance. This propaganda hype must not, however, blur the fact that this assistance is just a trifle next to what Russia is doing along the same lines. For Russia the cost of dismantling the nuclear weapons evacuated from Ukraine and Kazakhstan will be $2-$3 billion. And the Americans are giving Ukraine and Kazakhstan something in the area of 100 million. This is only one-tenth of Russia's costs. Moreover, I do not understand why the Americans had to carry out Operation Sapphire in secrecy. Were they afraid of Russia, Iran, or Iraq? This is ridiculous.

[Orlov] Yet it is often alleged that some regimes in the Middle East want to take possession of Kazakhstan's nuclear materials....

[Mikhaylov] Nonsense! No one country can produce a nuclear bomb with smuggled materials. This takes a large—I would say, a huge—industry. To create an extraction and processing complex is only one-fifth of the path. There are another four-fifths of the way to go before a nuclear bomb is created. A country cannot become a nuclear power without such a full structure.

Nuclear Explosions for Peaceful Purposes Should Not Be Banned

[Orlov] It has been reported that Russia is not happy with the idea of a comprehensive banning of all types of nuclear explosions, which is now being discussed at the negotiations in Geneva.

[Mikhaylov] On one hand, a nuclear test ban is an important step toward nuclear disarmament, but on the other, the accumulated nuclear arsenals require constant maintenance, especially in the area of ensuring their safety. To secure this, limited low-yield nuclear tests are naturally needed. This is a military aspect. As for the "peace" aspect, so far these explosions have not brought any great economic effect. At the same time, nuclear explosions can be used to create cavities for burying waste from chemical, oil, and gas industries, and also radioactive waste, in order as far as possible to reduce their negative impact on the ecological situation. Proceeding from this, I personally think that there should be no banning of nuclear explosions for peaceful purposes. There is no question about this to me. To ban "everything" would be far too easy. At the same time, questions about conducting such experiments and also of overseeing them need be addressed jointly. Generally, I do not particularly believe in bans in science. Scientists will continue to work in any event, and if a project emerges, which is interesting for the advancement of the entire mankind, how can it possibly be forbidden?

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[Orlov] Will Russia stick to the moratorium on nuclear tests? The Chinese continue explosions, as a result of which the Geneva negotiations are running into difficulties. You once said it yourself that "two to three nuclear explosions a year are simply vital to Russia."

[Mikhaylov] I do not take back my words. But I think that we should be patient. This is especially important in the run-up to the conference on extending the term of the Nuclear Nonproliferation Treaty.

Federal Assembly

Deputies Back Proposal To Consider Yerin's Dismissal

LD0802130395 Moscow ITAR-TASS in English 1205 GMT 8 Feb 95

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow February 8 TASS— The Russian State Duma backed on Wednesday the proposal of nationalist leader Vladimir Zhirinovskiy to consider the issue about a possible dismissal of Interior Minister Viktor Yerin over the recent assassination of Sergey Skorochkin, a member of Zhirinovskiy's faction.

Two hundred and eighty-one deputies voted to include the issue into the agenda, four were against and one abstained.

According to the Russian constitution, the interior minister is appointed and dismissed by the president.

Attacks on Yerin mounted as Skorochkin was the third lawmaker killed over the past 12 months. Police said it identified and even arrested the killers of the two first deputies, Andrey Aidzerdzis and Valentin Martemyanov. However, their names were not disclosed and it is not clear whether the cases would ever end in court.

Skorochkin, a businessman-turned-lawmaker, was kidnapped and shot dead in early February.

Zhirinovskiy also insisted that Duma Speaker Ivan Rybkin resign for failure to ensure a decent protection of lawmakers. But the lower chamber turned down the proposal.

It also rejected the idea of creating a bodyguard service to protect its members.

FBS Director Addressing Duma Council Cited

MK0902092095 Moscow NEZAVISIMAYA GAZETA in Russian 8 Feb 95 p 2

[Report by Nikolay Plotnikov under the "Problem" rubric: "Border Guards Are Short of Money. Federal Border Service Director Speaks Before Russian State Duma Deputies"]

[FBIS Translated Text] On 7 February, Colonel General Andrey Nikolayev, director of Russia's Federal Border Service [FBS], spoke for the first time before a sitting of the Russian Federation Federal Assembly State Duma Council. In his nearly 20-minute address, he described the activities of the Russian Federation Federal Border Service to protect Russia's national interests in border areas. In Nikolayev's view, the main outcome of 1994 is the completion of the general sealing of strategic sections of the Russian border that were left unprotected in the wake of the USSR's disintegration, and the creation of a continuous line of protection of the Russian Federation's national interests within the CIS framework.

In the opinion of the head of Russia's FBS, last year it proved possible to combine Russia's interests along the outer borders of the Commonwealth member states with constantly building up the protection of the Russian border proper.

Andrey Nikolayev stated that the tasks set by the Russian president, especially the secure sealing of state borders in 1995, may not be possible to carry into effect in full owing to a number of problems. The most important problem cited is an extreme lack of financing for Russian Federation FBS operations. For example, the funds being set aside for 1995 would be sufficient only to keep the border troops going as regards the social sphere in the current year. The Russian Federation FBS director asked the deputies to ensure that the minimum-sum request submitted to the Duma Council for the Russian Federal Border Service's financial needs in 1995 is met. To Nikolayev's mind, this would make it at least possible "not to let the standards of efficiency of guarding Russian borders in 1995 drop compared to 1994 standards." Besides, the Russian Federation FBS director drew the Council members' attention to the flawed nature of the legal base of border guarding activities and to a need for further widening it.

Federational Council Rejects Laws Passed by State Duma

LD0802183095 Moscow ITAR-TASS in English 1645 GMT 8 Feb 95

[By ITAR-TASS correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow February 8 TASS— The Russian Federation Council today turned down a string of laws which had been passed by the State Duma, or the lower parliament house.

These include financial laws, one of them projecting amendments to the Soviet-era law on the Central Bank of Russia. Chairman of the Federation Council Budget Committee Nikolay Gonchar said these laws were drafted during nine months, with participation of federation Council members, but the State Duma ignored recommendations of the upper house.

According to the Federation Council, the new Central Bank law does not conform to legal statutes on finance, and requires substantial revisiting. The new law does not bring certainty about the status of the Central Bank.

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Some articles of the law define it as a budgetary state bank and some as a commercial bank. The Central Bank of Russia is qualified as a corporate body with a special status, which gives the bank numerous privileges and opportunities to employ the special status in commercial operations.

The Federation Council decided to set up a conciliatory commission "to surmount the controversy". The Council recommended that Central Bank officials be placed on the commission.

Laws amending the current value added tax law and the law on "taxes on profits of enterprises and organisations" were also rejected because of debatable definitions of some articles.

The only law which passed through the Federation Council today, with reservations, was on "special tax on enterprises, institutions and organisations for financial support of basic economic sectors of russia and for stable work of enterprises in these sectors".

Parliamentarians agreed with reduction of taxes from three to 1.5 percent under this law, but decided to send a letter to the Government with a recommendation that federal and regional budgets get equal shares of tax revenues.

A law on privileges for participants of foreign economic operations was turned down on the grounds of "unacceptability of selected provisions".

Two laws concerning amendments to punishment clauses of the Russian penal code and the code of criminal procedure met with the same fate.

LDPR Walks Out After Duma Rejects Zhirinovskiy Motions

LD0802134495 Moscow ITAR-TASS in English 1317 GMT 8 Feb 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow February 8 TASS—Members of the Duma faction of the Liberal Democratic Party of Russia (LDPR) walked out of the lower house today after their controversial leader Vladimir Zhirinovskiy declared that the deputy association headed by himself would not attend the Duma's plenary meetings but only parliamentary hearings and would only continue to work in constituencies and house committees.

Zhirinovskiy said his decision was motivated by the fact that the house failed to back the motions made by the LDPR in connection with the murder of deputy Sergey Skorochkin.

The Duma earlier voted down Zhirinovskiy's motion calling for the resignation of speaker Ivan Rybkin and his proposal to add an item to the already extensive agenda. The item called for a discussion of the proposed resignation of the chairmen of the Duma committees for defence, security and geopolitics.

Zhirinovskiy stressed that although the Duma voted in favour of his motion to work out and discuss amendments to the law on weapons, these documents would most likely be "bogged down" in the house committees.

He also said that the Duma resolution calling for discussion of the proposed resignation of Interior Minister Victor Yerin in his presence in the house would yield no result because "the minister will be in Chechnya for a long time and when he returns he will only receive awards for destroying several bands while people will continue to be killed all over the country".

The LDPR faction in the State Duma thus demonstrated its readiness to stick to a "tough, irreconcilable position" as declared by Zhirinovskiy earlier on Wednesday, unless their proposals associated with the killing of Sergey Skorochkin are backed by the deputy corps.

Columnist on Failure To Ratify State of Emergency Edict

MM0902111195 Moscow ROSSIYSKIYE VESTI in Russian 9 Feb 95 p 1

[Report by Oleg Dmitriyev: "Federation Council Shifted Responsibility Onto President"]

[FBIS Translated Text] As we know, the federal parliament's upper chamber was unable to ratify the head of state's 31 January "Edict On Extending the State of Emergency on Part of the Territory of North Ossetia and Ingushetia," which has been in operation since the fall of 1992, because it lacked a quorum. Although the political and crime situation in the Republic of North Ossetia and the Ingush Republic is on the whole more stable than in Chechnya, a number of rayons of these Russian Federation components (above all, Mozdokskiy, Pravoberezhnyy, and Prigorodnyy in North Ossetia, and Nazranovskiy and Sunzhenskiy in Ingushetia) have found themselves drawn into ethnically motivated clashes.

Proceeding from these considerations, Russia's president issued Edict No. 93 on 4 February under which a state of emergency was introduced once again on part of North Ossetia and Ingushetia from 5 February until 5 April 1995. In line with the edict, an Interim Administration is being introduced on this territory, a special procedure for entry and exit is being set up, mass rallies, strikes, and the sale of weapons are forbidden, and temporary censorship is being imposed on mass media sources reporting events in the state of emergency's zone of operation.

Of course, the situation in volatile regions must have adequate controls allowing the suppression of unlawful actions both on the part of illegal armed groupings and the forces of the MVD [Ministry of Internal Affairs] and the Federal Counterintelligence Service [FCS] alike.

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Therefore, the head of state was entitled to count on the understanding and support of the Federation Council.

However, parliament's upper chamber did not approve the president's act—in a ballot on this question, there was a shortfall of 15 votes. It is remarkable that after the ballot the Federation Council deputies, appraising the situation which has emerged, suggested various ways of escaping from it: the promulgation by the president of a new edict, the creation in the North Caucasus republics of structures unconnected with the state of emergency regime, and a number of others. Yesterday, the upper chamber did not return to this question, although, in the view of ROSSIYSKIYE VESTI's legal experts, such a return to a decision taken earlier was possible and justified.

What is the federal executive authority to do in this situation? Of course, a new edict could be issued, but its examination will require a significant amount of time, and where is the guarantee that it will be adopted? Obviously, the president and the government will be forced to take the road of action in part of North Ossetia and Ingushetia in the shape of a "de facto" state of emergency regime without the appropriate legal backup. It cannot be denied that parliament's upper chamber has taken up a convenient stance: Without offering either the inhabitants of the North Caucasus republics or the MVD and FCS forces any kind of legal guarantees, it is free to criticize the actions of the latter. The only thing is, is this convenient for Russian citizens?

Regional Affairs

Yeltsin To Analyze Chechen Operation

LD0702203395 Moscow INTERFAX in English 1747 GMT 7 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Critical analysis of the military operation in Chechnya will be the core of a annual message of Boris Yeltsin to Russia's parliament. According to a plausible presidential source, Yeltsin will deliver his address on February 16.

As Interfax has learned, the Russian leader intends to focus on the methods of implementing the action to regain federal control over Chechnya. In this context, as the source notes, he may spell out concrete plans to reform the national armed forces command. It is not ruled out that he will return to the idea of withdrawing the Armed Forces General Headquarters from the Defence Ministry and endowing it with principally new functions. IF Note: According to experts, it is wishful thinking for political scientists to suggest that presidential proposals to reform the army may signal the end to the Defence Minister Pavel Grachev's career and his replacement by a civilian. Some specialists say the rumor on Grachev's early resignation is belied by his inclusion in an official Russian delegation to the CIS summit in Almaty. Meanwhile, a senior military explains Grachev's trip to Almaty not only by the fact that he is due to preside over a session of the CIS Defence Ministers but also by quite explicit "smooth relations between the president and the defence minister."

President Yeltsin and Premier Chernomyrdin discussed on Tuesday how to proceed to a new stage of settling the Chechen crisis, chiefly by non-military means.

According to Oleg Lobov, secretary of Russia's Security Council, the Russian leadership is "utterly" concerned over the fierce fighting in Chechnya. As the Council has told Interfax, Lobov made this known to the French Ambassador in Russia Pierre Morel.

"As for negotiations with the Chechen side, Lobov said furthermore, they have been conducted most actively." He recalled that Chernomyrdin had held several meetings lately with representatives of the cross sections of Chechen society. Nikolay Semyonov, Russia's governor-general in Chechnya, has been instructed to negotiate locally with all who this way or another control the situation even on a restricted territory as large as a community, Lobov added. Above all, he explained, such talks should be conducted with field commanders and elders.

According to his data, many field commanders have declared their independence from Dudayev, however, they fear repressions from the Russian authorities. Lobov reiterated the Russian leadership's position of principle, recalling the State Duma's decision to pardon all who "lay down their arms voluntarily and return to peaceful life."

On the fate of Dudayev himself, Lobov explained that he Dudayev could amnestied, too, if he recognized the constitution of Russia, which means "to recognize the Chechen Republic as part and parcel of the Russian Federation." "Dudayev must choose between his ambitions and peace on Chechen soil," Lobov said.

He stressed that, in fact, it was Dudayev who forced the Russian army to use against its armed units military force, for the abuse of which Russia is charged by the Council of Europe.

Lobov underscored the federal government's resolve to keep Russia united so that "the Chechen syndrome" could not grow into "a Yugoslav syndrome". If a tragedy similar to that in Yugoslavia recurs in Russia, this will be a disaster not only for Russia but for Europe as a whole, Lobov stressed. For this reason, he believes, any attempt to put pressure on the Russian government from outside, in fact, encourage the illegal Chechen authorities for continuing their reckless policy, leading to further bloodshed.

Lobov said that Dudayev had turned out of hand proposals to form in Chechnya security zones and humanitarian corridors to evacuate civilians. In Lobov's

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opinion, the rebellious general is afraid to lose "the live shield" that enables his militants to open fire from behind the backs of children, women, and old men.

Lobov and Maurelle agreed that despite the embitterment, caused by "the war without rules" being waged by Dudayev's militants, the Russian army, internal troops, and the Federal Counterintelligence Service ought "to abide by rules". "Although the arrested militants are not prisoners of law in legal terms, Lobov said, the conditions of confinement, corresponding to the Geneva conventions on war victims protection, need to be created for them. Facts of cruelty and human rights violations, reported by media, should be thoroughly investigated and those guilty be punished."

The military action in Chechnya is "a forced and temporary measure," and the republic's future depends on "the restoration of its vital services and the solution of its economic and social problems," Valentin Kovalev, Russia's Minister of Justice declared at a news-conference in Moscow.

He argued that in terms of law, the use of armed forces did not pose legal problems, "even though there are separate gaps in the legislation." He claimed that the president relied on the constitution, according to which he "is to adopt all measures to preserve the country's territorial integrity", and on the country's military doctrine, which "names illegal armed units as a source of internal military threat, units for the disarmament of which armed forces are used."

Government Regrets 'Rumors' of Gen Babichev's Capture

LD0802154395 Moscow ITAR-TASS World Service in Russian 1427 GMT 8 Feb 95

[FBIS Transcribed Text] Moscow, 8 Feb (ITAR-TASS)—According to reports received by ITAR-TASS from the Mobile Information Center of the Press Service of the Government of the Russian Federation, "after the recent liquidation of the main Groznyy group of illegal armed formations in the area of 'Minutka' Square, the federal forces, while assistingo the internal forces of the Ministry of Internal Affairs, began to comb urban areas of the western and south-eastern parts of Groznyy, for the purpose of liquidating small but fairly numerous bandit gangs. In the course of the day the western group of federal troops, under the command of Major General Babichev, moved in a westerly direction for a distance of two kms within the territory of Groznyy.

During this operation, only small, separate groups of fighters were discovered, some of which were destroyed, and some pushed into the area of the settlement of Chernorechye.

The southeastern group of federal forces under the command of Lt Gen Popov on the western limits of the city of Argun discovered and destroyed a howitzer with battle kit and 15 fighters.

According to the information of the command of Federal Forces, in the past 24 hours a total of more than 50 fighters, one infantry combat vehicle, one armored carrier, one howitzer, two mortars and four cars were destroyed and a large quantity of firearms and ammunition was captured.

Of late, some Western mass news media have been insistently spreading rumors of the alleged capture of Major General Babichev and Gantemirov, deputy head of the Territorial Administration of Federal Bodies of Executive Power in the Chechen Republic, by Dudayev's fighters.

It is regretted that a number of respected foreign companies lightly use rumors advantageous to someone, instead of applying for information to the Mobile Information Center of the Russian Federation Government Press Service in Mozdok or the Russian Federation Government Press Service Bureau of Operational Information in Moscow.

According to a Ministry of Defense report, the last telephone conversation with the allegedly captured Gen Babichev took place at 1100 today.

Babichev, Gantemirov Capture Denied

LD0802193795 Moscow ITAR-TASS in English 1829 GMT 8 Feb 95

[FBIS Transcribed Text] Moscow February 8 TASS—According to reports from the mobile information centre of the Russian Government press service, "following the recent elimination of the main Groznyy group of illegal armed formations near Minutka Square, the federal armed forces, providing support for Interior Ministry troops, have begun to comb the western and south-eastern parts of Groznyy in order to eliminate small, but numerous bands. Throughout the day, the western group of the federal armed forces led by Major-General Babichev advanced two more kilometres into Groznyy in the western direction.

"During the operation, only separate small groups of militants were detected, some of which were destroyed, while others driven out towards the settlement of Chernorechnye.

"The southeastern group of the federal armed forces led by Lieutenant-General Popov found and destroyed a howitzer with ammunition and 15 militants in the western outskirts of the town of Argun.

"According to commanders of the federal armed forces, over 50 militants, one APC [armored personnel carrier], one armoured vehicle, one howitzer, two mortars and four vehicles were destroyed and a large amount of firearms and ammunition was seized over the past 24 hours.

"Lately, some Western mass media have repeatedly cited rumours about an alleged capture by (Chechen President Dzhokhar) Dudayev's militants of Major-General

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Babichev and Deputy Head of the Federal Administration in the Chechen Republic Gantemirov.

"It is regrettable that a number of respected foreign companies make an easy use of the rumours, which some may apparently find beneficial, instead of turning for information to the mobile information centre of the Russian Government press service in Mozdok or the current information bureau of the Russian Government press service in Moscow.

"According to the Defence Ministry, the most recent telephone conversation with the allegedly captured General Babichev was held today at 11:00."

Defense Ministry Says Minutka Square in Groznyy Liberated

LD0702170695 Moscow ITAR-TASS World Service in Russian 1529 GMT 7 Feb 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Translated Text] Moscow, 7 Feb—Groznyy's Minutka Square and the areas adjacent to it have been completely liberated from Dudayev's armed formations and hostilities in this region have ceased, a Russian Defense Ministry spokesman told an ITAR-TASS correspondent today. According to him, all the attempts of the illegal armed formations to recover the positions lost in this part of Groznyy have been thwarted.

At the present moment an operation by Interior Ministry troops to clear the area is being carried out within the city boundary. A battle is being waged with snipers and small bandit formations who have filtered through into areas of the city or have been unable to break through the blockade.

The forging of the Sunzha River has been successfully completed and the bridgehead, where the units and one of the formations that replaced the subunits of federal troops withdrawn to the rear have been landed, has now been expanded here. According to the Defense Ministry spokesman, together with the withdrawal of troops to areas under the control of the Armed Forces, units, and detachments of the Russian Interior Ministry are being brought in. In the near future it is expected that all army forces will be returned to their places of permanent deployment. Only units of the North Caucasian Military District will remain on Chechen territory.

Dudayev Orders Troops To Evacuate Groznyy

LD0802211095 Moscow NTV in Russian 1900 GMT 8 Feb 95

[FBIS Translated Excerpt] The Chechen defense committee and the Chechen armed forces general staff have today made a decision on the immediate evacuation from Groznyy. This essentially means that the city will be surrendered to the Russian troops at midnight. But this does not mean that the Federal Army and the Ministry of Internal Affairs will be in control of the situation.

[Correspondent Vladimir Ruslanov] Having decided Groznyy's fate, Dudayev has at the same time ordered the mobile assault groups to remain in the city. Their task is to conduct guerrilla war behind the lines of the Russian troops. But the Russian military believe today that the army is in full control of 80 percent of the city's territory. That is, during the day. At night, when the militants are out stalking, situation changes. It is at night that the Russian troops suffer heaviest casualties. The surrender of Groznyy means that the frontline is now shifting to the Argun river bank. For three days already, heavy fighting has been going on here, but neither side achieved any tangible success.

It is quite obvious that Dudayev's formations have succeeded in preserving and evacuating from the city a considerable quantity of heavy equipment, including tanks. Today these forces are being redeployed in the settlements around Groznyy. Today, not only Groznyy but the settlements surrounding it—such as Shali and Argun—are being subjected to air raids, which inevitably leads to numerous casualties among the civilian population. After one such bombing, the brother of Salambek Khadzhiyev, one of the leaders of the present anti-Dudayev's coalition, was killed in Shali. Several dozen people maimed by the so-called needle bombs are being treated at the local hospital. It is impossible to detect the tiny metal needles with X-ray and it is virtually impossible to remove them. [passage omitted]

Fighting Continues Around Groznyy

LD0902095395 Moscow ITAR-TASS World Service in Russian 0911 GMT 9 Feb 95

[By ITAR-TASS correspondent Ruslan Maysigov]

[FBIS Translated Text] Groznyy, 9 Feb—Settlements around the Chechen capital are becoming the main theater of military operations in Chechnya. Fighting continued on Wednesday and in the morning today in the vicinity of the settlement of Chechen-aul, situated between eight and 10 km south of Groznyy and on the outskirts of the town of Argun, some 15 km east of the capital.

There were aerial strikes on the district center of Shali, 20-25 [km] southeast of Groznyy, on Wednesday.

Chechen military sources have stated that the federal troops are endeavoring to close the encirclement around Groznyy, but, so far, the southern route out of Groznyy is partially under the control of the federal troops and partially controlled by Dzhokhar Dudayev's supporters.

In Groznyy itself fighting over the past 24 hours continued in the southern part of the town, in Oktyabrskiy district, and in the western part in the Chernovichye district.

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Chechen Commander Says 'We Will Fight On'

MS0802112595 London THE TIMES in English 8 Feb 95 p 11

[Report by Anthony Loyd incorporating interview with General Aslan Maskhadov, commander Chechen forces: "Fleeing Chechens Pledge 'War With no Front Lines'"]

[FBIS Transcribed Text] Groz ny—Groz ny's Chechen defenders are withdrawing from the centre and south of the city and taking to the hills to regroup, leaving the capital a confusing and menacing no-man's land.

Yesterday through a smoke-laden mist, I watched from a snowy ditch as a Russian tank clanked past. With softly murmured curses of relief, a 20-strong band of Chechens hidden near by stood up and moved off into the darkness. Fighters, nurses, and a surgeon, they were among the last to abandon the Chechen command headquarters when the order to do so had come suddenly at midnight.

The route to the headquarters had been unnerving. The Russian advance was grouped around the city in a horseshoe, leaving only a narrow corridor open, approachable on foot, to the southwest. As I trudged this route through the dim light on Monday afternoon, I encountered only departing Chechen soldiers, who told me that they had been given the order to pull back rather than face encirclement.

A curious stillness hung over Grozny. The Minutka area, for a time a Chechen stronghold after the loss of the Presidential Palace three weeks ago, was now little more than a smouldering architectural skeleton. Burning houses and gas pipes throughout the city glowed through the gathering fog and snow, bathing the devastation in varying shades of orange, and casting strange shadows on the deserted streets and shattered masonry.

As darkness settled the artillery began. From close by came the sound of moving armoured vehicles and the crackle of small-arms fire.

General Aslan Maskhadov, commander of the Chechen forces and a former colonel of the Soviet army looked tired though not dispirited. He had just eaten after the day's Ramadan fast, and greeted me in his bunker headquarters below a building near the southern front.

"I can only wonder at the strength with which my men have fought," he said. "The Russians attack us with planes, then artillery, then tanks, levelling the houses before them.

"Yet still my men emerged from the rubble to fight on. But we cannot match the Russian weaponry, and will have to fight a different type of war. It's not a retreat—it's a planned withdrawal. All we can do is fight on, to show not only that we want our independence, but that we are willing to die for it."

General Maskhadov added: "We don't have their munitions, but when one of my soldiers is given ten RPGs I expect eight tanks to be destroyed."

His optimistic mood was reflected by others in the cellars who looked like Mad Max extras with their shaven heads, wild black beards, turbans, clanking bandoliers and flowing coats. The fighters were dancing—the wild and the damned singing as the city burnt.

Among the fighters, no less laden than the others with automatic rifle magazines and warheads, sat a 13-year-old boy called Esa. He had come to fight in Groz ny with his father who had been wounded and evacuated, while Esa had chosen to stay. He was skinny, shaven-headed and pale, a dwarf beside the robust fighters around him. But though his features were smooth and childlike, his words reflected the concerns of the hard-bitten.

"I can feel nothing when I fight on the front line," he said, after claiming to have killed on a number of occasions. "The worst thing is to lose your friends; 19 of mine have died there. The next worst thing is when some men start to panic under fire.

"I did not go to Russia to fight the Russians. I am fighting in my country, for my country: for my village, my people, and my God."

As the revelry subsided some fighters slept while others left to reinforce rearguard positions nearby. Then came the word to move and the Chechens departed in groups for a rendezvous far to the southwest. The shelling had become much closer as the Russians pushed forward, and it appeared that, rather than be caught in their loop, General Maskhadov had decided to fall back towards Grozny's remaining gateway.

However the journey was one of protracted effort and confusion. It was uncertain how close the Russians were as their signal flares appeared to be everywhere. But as the sky lightened most parties from the headquarters appeared to have arrived at the new location, and their mood lifted. Thoughts turned to the coming days and their next move.

"I never thought that I would see this happen," said one fighter about his fallen capital. "There will be much blood paid for this. The Russians have made a bad, bad mistake. But we did manage to hold out here for 37 days—Berlin lasted only two weeks in 1945. This war will continue, only now it will be one without front lines."

Chechen Leadership Moves Army Headquarters From Groznyy

LD0902122795 Moscow INTERFAX in English 1214 GMT 9 Feb 95

[FBIS Transcribed Text] Groznyy, Feb 9 (Interfax)—Chechnya's leadership has decided to move the republic's army headquarters from Groznyy to one of its suburbs to coordinate operations by Dudayev's supporters from there, a spokesman for the headquarters reported to Interfax on Thursday [9 February].

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However, he declined to identify the headquarters new venue and only said that the decision to move away the headquarters, led by President Dzhokhar Dudayev and Deputy Chief of Staff Aslan Maskhadov, was adopted at a session of the Chechnya's State Defence Committee.

At the same time, he stressed that Chechen militia units would remain in Groznyy to continue to resist the Russian troops. "We are not giving up the city", he noted.

Chechens Tell AFP: Groznyy 'Will Blow Up Skyhigh'

AU0902165595 Paris AFP in English 1639 GMT 9 Feb 95

[APF headline: "Groznyy Burns as Russians Tighten Noose"]

[FBIS Transcribed Text] Goity, Russia, Feb 9 (AFP)—Large parts of Groznyyy were ablaze Thursday [9 February] as Russian forces moved to cut off the last remaining road leading south from the Chechen capital, tightening their noose around the city.

A new fight with separatist rebels loomed as the Russians advanced from a strategic crossroads they captured last week towards a second key intersection controlling the road south to the small town of Goiti, which is packed with refugees.

A senior Chechen military commander, Aslambek Abdulkhadzhiev, said most of the rebel forces had already left Groznyy, and the Chechens planned to destroy the city.

A column of about 30 Russian tanks and armoured vehicles set off late Thursday from the crossroads, near the town of Stary Atagi, and rolled along part of the five kilometre (three mile) stretch of road towards the Goiti intersection.

Chechen defenders gathered at the Goiti intersection ready for battle as flares pierced the night sky and salvo after salvo of artillery shells began to fall on the area.

The rebels said Russian forces had dug in about 1.5 kilometres (one mile) up the road, waiting for the Chechen defence to be paralysed by artillery and bombs before advancing further.

The sky on the northern horizon was blood-red, lit up by fires in several parts of Groznyy.

Abdulkhadzhiev, one of the most senior Chechen military commanders, did not say whether the capital had been mined or otherwise booby-trapped by the retreating rebels.

"We've left, we've left and the city will blow up sky-high," he told AFP reporters.

"There are a lot of secrets in Groznyy," he said, referring to unnamed tools to destroy the city. "There'll be nothing left. We'll build a new city."

Justice Minister Defends Chechnya Actions

MM0902105995 Moscow ROSSIYSKAYA GAZETA in Russian 9 Feb 95 First Edition pp 1-2

[Unattributed "ROSSIYSKAYA GAZETA Exclusive" report of Russian Justice Minister Valentin Kovalev Vienna OSCE speech and press conference; date not given: "Dudayev's Regime Has Caused Tremendous Grief. People Are Weary of War. People Want Peace. People Dream of a Quiet Life"]

[FBIS Translated Text] Esteemed Gentlemen!

By all accounts I should forestall any questions you might have with a brief speech.

Everyone must have the clear notion that the situation in the Chechen Republic is the Russian Federation's internal affair. Nevertheless I, Russia's minister of justice, have come to Vienna to discuss this matter. Is there a conflict here? No.

We have nothing to hide from the international public. The Russian Federation has an interest in the international community's knowing the truth about events in the Chechen Republic. And that is why the Russian Federation responded positively to the OSCE's wish to send a delegation to the Chechen Republic. At today's session of the Permanent Council esteemed Mr. I. Gyarmati, that delegation's head, confirmed that during the OSCE delegation's visit to the Chechen Republic the Russian authorities gave its members every opportunity to visit the areas that they wanted to visit and talk to the people in whom they were interested.

You will probably be asking me today about the current situation in the Chechen Republic. Therefore, to forestall your questions, I would like to say that the Chechen problem has a long prehistory. If you fail to take into account this historical component, a great deal of what is now happening in Chechnya will be simply incomprehensible. What has happened there of late?

I will take the liberty of giving you just a concise account of the facts. There was a seizure of power. The Dudayev regime was never recognized by the Russian Federation. Nor was it recognized by the international community. No state in the world has recognized Chechnya's independence, for understandable reasons: This regime was illegal and unconstitutional. That is the de jure aspect of the question. What about the de facto aspect?

The Dudayev regime inundated the republic with weapons and drugs, which had begun to spread throughout Russia. From that viewpoint Chechnya became a gaping wound for Russia. It was in the Chechen Republic that criminal elements hunted Russia-wide found refuge. It was in the Chechen Republic

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that counterfeit money was printed. Thus the Russian economy was undermined. In effect Chechnya used the means of undermining the economy that Hitler used back during World War II. As you know, he also printed dollars, pounds, and other countries' currencies. Needless to say, that situation could not be tolerated.

Now let me say a word about the discrimination against the Russian-speaking population. Refugees attest that people were killed without trial or investigation right there on the street. Citizens of Russian nationality were evicted from their apartments. Impossible educational conditions were created for children in schools. Last year under the Dudayev regime wages were not paid. Let alone pensions. A huge flood of Russian-speaking refugees began. This mass of problems also gave rise to the corresponding decision to disarm the illegal armed formations and confiscate their weapons.

That is the background to this crisis, if I am to put it in a few words.

The military phase of the conflict is currently coming to an end. I am acting on the hypothesis that the main factor in the restoration of law and order in the Chechen Republic is not the armed forces but the restoration of the population's vital services. There are a host of problems associated with this. People are weary. People want peace. It is necessary to feed them, to provide them with a roof over their head, to rescue the sick and injured; it is necessary to restore the water supply, the sewage system, and the electricity supply. It is necessary to start up enterprises, including chemical plants and oil wells. I see this as the main way of restoring peace and tranquillity in the Chechen Republic.

Our government is now taking all the necessary steps to this end. I personally have sent my deputy to Groznyy, and he is there permanently. All the other Russian Government ministers are doing the same. We think that only the Russian Federation as a whole can restore the Chechen Republic's economy, industry, and infrastructure. The requisite measures are being taken by the federal authorities.

And since we are talking outside the Russian Federation, in Vienna, I must say that the Russian Federation and the Chechen Republic are grateful to all the OSCE member states that are providing humanitarian assistance. The foreign aid is quite substantial and represents around 13 percent of all humanitarian aid. We are wholeheartedly grateful to the OSCE countries for this aid and support and voice our firm intention of fulfilling all our commitments arising from international humanitarian law. Protecting citizens' rights and legal interests is our priority.

That is a brief preamble. Please ask questions, and if I can answer them I will do so willingly.

[Correspondent] Since you compared Dudayev to Hitler, should you have made Groznyy into a second Dresden?

[Kovalev] I never compare anyone with anyone. I said with regard to a specific instance that under his regime people in Chechnya had resorted to the same means of undermining the economy that Hitler used in the past. That is my idea.

Now let me answer the second part of your question. You are encroaching on our common pain. What am I talking about? There are armed formations that have to be disarmed. The weapons that have been stockpiled in huge quantities in Chechnya regrettably are able to fire shots, and not only in Chechnya. These weapons have spread throughout Russia. No one, even at the international level, has any doubts regarding any state's right to disarm illegal armed formations operating on its territory. How to do that is another matter. Had there been a real chance of disarming them by means of a police operation, there would of course have been no question of bringing in troop units. But over the last two years Dudayev has created very powerful forces, including armored hardware, modern artillery systems, and salvo-fire rocket systems. These weapons cannot be confiscated via a police operation.

A truly dramatic situation has developed. I must say that we are learning lessons from what has happened. Russian President B.N. Yeltsin issued a special directive banning the bombardment of population centers. At present it is only identified targets that are being fired on. At the time at which we are speaking your question is of purely historical interest. I stress that we are also learning lessons.

[Correspondent] What do you see as the OSCE's chief means of assistance at present?

[Kovalev] I would single out three components here. The first being that it tells world public opinion the truth about what is going on in the Chechen Republic. The voice of the OSCE—the voice of an extremely prestigious international organization—will undoubtedly be heeded. Second, the element connected with the provision of humanitarian aid. There are very many specific questions here associated, in particular, with the provision of medical aid for the population and the need to improve the sanitary and epidemiological situation in the region. As a whole humanitarian aid represents a fairly broad concept, and when we talk about this we understand it in its broadest context.

In this context I would also particularly single out something that I mentioned during the Permanent Council session. We associate the restoration of law and order and legality in the country and the creation of regional authorities in the republic with the need to hold democratic elections. Nor can there be any question of any Moscow proteges here. The Chechen Republic's authorities and government must be formed from among local inhabitants. We will do everything we can to ensure that democratic elections are held as soon as possible. We are perfectly well aware that democratic elections are impossible amid soldiers' bayonets. That is why we are

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inviting the OSCE to send its observers to be present during these elections and report to international public opinion what they have established.

[Correspondent] Why was Human Rights Commissioner S. Kovalev not included in I. Gyarmati's mission.

[Kovalev] That is not a political question. It is a strictly technical matter. The point is that I personally asked Sergey Kovalev to accompany the OSCE delegation to the Chechen Republic. I did so publicly at a session of the Commission for the Observance of Citizens' Constitutional Rights and Freedoms. S. Kovalev replied that he had other commitments at the time of the OSCE delegation's visit. And that he would therefore be going to the Chechen Republic autonomously.

What ensued? We decided that the OSCE delegation would be accompanied by another member of the temporary oversight commission. Some time later S. Kovalev's circumstances evidently changed and he expressed a desire to also accompany the delegation. But by that time the military aircraft's so-called flight sheet had already been filled out and approved. There are definite procedures here established by the Defense Ministry. And when we use military aircraft we are all subject to these procedures. It was intended that S. Kovalev would take another flight, as he had originally suggested, in order to meet with the OSCE delegation right there in its place of work—on Chechen Republic territory.

I stress that I am talking purely about the technical aspect of this matter. I see no political problems here. If members of the OSCE delegation want, they can always meet with S.A. Kovalev without any obstacles.

[Correspondent] What will happen to Dudayev and the other Chechen guerrillas?

[Kovalev] There are several questions here. Let me explain.

The first point is that the Russian Federation State Duma has adopted a decree amnestying all members of the illegal armed formations who voluntarily surrender their weapons, provided, of course, that their actions have not entailed serious consequences. That possibility also remains today.

There is also another legal problem when it comes to the liability of the mercenaries fighting on Dudayev's side. International law prohibits mercenary activity. At present we have instances of foreign states' citizens fighting on the territory of the Chechen Republic. The OSCE Commission had a chance to meet with foreign citizens arrested on the territory of the Chechen Republic.

I must say that the problem of liability, legal and criminal included, constantly comes within our field of attention, and I can cite the following case. We gave the OSCE delegation a chance to visit the MVD [Ministry of Internal Affairs] screening center, which houses people placed in administrative detention in the zone where illegal armed formations are being disarmed. Delegation members were able to have one-on-one conversations with each detainee. Here I discovered the case of a 14-year old adolescent being kept in custody at the screening center. I used my authority as defense minister to have him released immediately. This is an example of our law-enforcement organs' attitude to the presumption of innocence, legal liability, legality, and the validity of decisions adopted.

In accordance with our laws all citizens are equal before the law and the court. Everyone, regardless of nationality, official position, and standing in society, must bear sole responsibility for what they have done. There will be no exceptions made for Dudayev. So he will be accountable on the basis of existing legislation. No more and no less.

I am a lawyer. When we speak about charging somebody, I refer to filing a charge. Dudayev has not in actual fact been charged. I therefore cannot talk about something that does not exist. I can only confirm the well-known fact that proceedings will be instituted against everyone on an equal footing. There will be no extraordinary courts, no military field courts, no special courts—as has happened in our state's history—and no deviations from legal norms.

Army Morale Seen as Preventing 'Disintegration' in Chechnya

MM0702150495 Moscow KRASNAYA ZVEZDA in Russian 7 February 95 p 1

[Commentary by Sergey Pavlenko under the "Point of View" rubric: "The Chechen Drama: Why Is Its Essence Often Better Understood by the Ordinary Soldier Than by Many Politicians?"]

[FBIS Translated Excerpt] [passage omitted] A truly unique situation has developed around Chechnya today. For the first time in world history (certainly in Russian history!) an army has had to fulfill its given task in conditions of—it is no exaggeration to say—an information war behind its back. Commentators cover the events there in various way: Some with sorrow, others with undisguised malice. But the psychological pressure on the military units stationed in and around Groznyy is huge. Of course, in the well-known phrase, there are lies, damned lies, and statistics. But this awareness did not make it any easier for people whose every shot was immediately declared virtually a "crime against humanity." Moreover—by the propaganda machine of their own country.

So much for the facts. Now, casting aside details, a rather interesting picture appears. You would have thought that the Army would have been unable to withstand such nervous tension. According to the entire logic of information warfare it was quite simply doomed to demoralization and disintegration.... At the very least it should

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have refused to fulfill the directives whose "criminal nature" was so widely spoken of from various political rostrums and in the mass media. In August 1991 (all comparisons are lame, this one especially, but even so) something similar did indeed occur. But whatever form events took in Chechnya, it follows that some unknown factor came into play.

What precisely was this factor?

The simplest way to analyze this is to refer to the power of orders. After all, for military men orders are a juridical matter, and therefore binding. On the mundane level: If the Army is told to perform a task, it will perform it. Tell it to withdraw tomorrow, and it will withdraw. But this explanation, for all its self-sufficiency, does not take account of two factors. First, it imagines the Russian military to be so many "tin soldiers," incapable of attaining an understanding of the essence of what happened. Second, and most importantly, you won't get far on orders alone.

Captain Kiryanov, a pilot who laid down his own life to save the commander of the 81st Guards Motorized Infantry Regiment, and Senior Warrant Officer Ponomarev, who laid down his life for General Lev Rokhlin. Guards Lieutenant Artur Gerasev, Warrant Officer Mikhail Kanishnikov, and many other soldiers and officers—all those who "though wounded did not leave the ranks" or "refused to be taken to hospital." The land assault "volunteers' battalion" that stormed the Council of Ministers building in Groznyy. The lieutenants who revoked their discharge notices.... Each of these examples, say what you like, lies outside the category of "orders."

Yes, this unknown factor was the morale of soldiers and officers. It was thanks to this that the Army did not flinch, did not disintegrate, I repeat, even at the first, most difficult phase of the operation. They went into battle at the behest of honor. Of Duty. After all, it was never orders alone that sent us into battle for Russia, for its integrity, for its destiny.

These factors, I am sure, determine the behavior of the military even now. [passage omitted]

...We have still to attempt an objective analysis of the events in Chechnya. But already today it is clear: The Army is paying with its own blood for the mistakes and miscalculations of politicians. It is also clear that it was necessary to begin restoring order in our common home. To stop at half measures was to deceive. To deceive people who believed that life could get back to normal, that Russia would really remain a state, and not an empty symbol.

Dudayev Official Challenges Russia To Take Shali

LD0902110295 Moscow ITAR-TASS World Service in Russian 1008 GMT 9 Feb 95

[By ITAR-TASS correspondent Ruslan Maysigov]

[FBIS Translated Text] Groznyy, 9 Feb—"Having taken Groznyy, the Russian forces cannot say they have won the war or celebrate victory," head of Dudayev's security department in Shali district Abu Movsayev said today in an interview to the ITAR-TASS correspondent in the town of Shali.

"The most important strategic point to date is the town of Shali. Only having taken Shali can they consider they have won the war, but they will not take it," he said, adding that moreover Groznyy had not yet been taken by federal forces, and battles were continuing in the southern part of the city, in Oktyabrskiy district.

Abu Movsayev said Dudayev's supporters were aware of the Russian military leadership's plans. In confirmation of this he showed the ITAR-TASS correspondent the Russian Army General Staff's maps and declared that according to the information available federal forces "intend to take Chechnya in three rings."

The events currently taking place in Chechnya, the deaths of civilians from shelling and other military actions are inciting many peaceful residents to take up arms, Abu Movsayev said. The ranks of Dudayev's supporters are also being joined by many of those who used to be against the policy of official Groznyy, he affirmed.

Government Briefing on Dudayev Militants' Resistance

LD0902155695 Moscow ITAR-TASS in English 1532 GMT 9 Feb 95

[FBIS Transcribed Text] Moscow February 9 TASS—The press service of the Russian Government transmitted on Thursday [8 February] the following report:

"According to a report of the federal troops command, Russian troops continued in the past day mop-up operations in the right bank part of Groznyy. Interior troops and bodies of the Interior Ministry continued the effort to disarm illegal armed units in the Leninskiy and Zavodskiy Districts of Groznyy, and also near Assinovskaya populated locality. Aviation dealt strikes at accumulations of militants and equipment in the area of Samashki, the northern rim of Argun.

"There remain pockets of resistance by Dudayev militants to federal troops in Groznyy, and in the western and north eastern districts of Chechnya. Illegal armed units continue getting entrenched in southern, eastern and western districts of Chechnya. Some populated localities are well prepared for perimeter defence.

"According to incoming information, the effort to recruit males into illegal armed units has been stepped up in Gudermes. Rumours are spread that there will be deportation of Chechens. Part of the population of the city, in the south-eastern districts, prepares for armed resistance. At the same time, elders and residents of the western part of Gudermes believe clashes with federal troops should be avoided.

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"According to the information of the Health Ministry, the Fourth Municipal Hospital resumed work in Groznyy. Chief physician Salunov and two surgeons tend to wounded and seek. Two medical aid stations, at a cannery and at an automobile enterprise, were set up by the hospital of defences".

General Says Dudayev 'Gone Mad', Calls for His Destruction

LD0902160195 Moscow ITAR-TASS in English 1550 GMT 9 Feb 95

[By ITAR-TASS correspondent Sergey Ostanin]

[FBIS Transcribed Text] Moscow February 9 TASS—Russia's chief of staff, Colonel-General Mikhail Kolesnikov today said that if federal authorities found out the exact whereabouts of Dzhokhar Dudayev, they should issue an order "to destroy him without investigation or trial".

Kolesnikov told journalists at a press conference here today that Dudayev "has gone mad and he must be destroyed". "There is no need for a court trial, investigation and collection of evidence," Colonel-General Koslesnikov stressed.

He also said the Defence Ministry had information that at present Dzhokhar Dudayev had no permanent residence and slept where night found him.

According to Kolesnikov, "command posts to control gangs" have been prepared for Dudayev in several places on Chechen territory.

The general added that "Federal forces know about the possible places where Dudayev can stay but it is too early to disclose this information".

Grachev's Likely Successors Evaluated

MM0802191995 Moscow IZVESTIYA in Russian 9 Feb 95 p 1

[Article by Valeriy Yakov and Aleksandr Golovkov of IZVESTIYA's Analysis Center: "Who Could Become Pavel Grachev's Successor?"]

[FBIS Translated Text] The belief that Minister P. Grachev's days in his post are numbered has already and virtually finally formed in the public mind. Rumors of his possible dismissal which are filtering into the press from various sources—ranging from the Kremlin lobbies to Ministry of Defense lobbies—have not been refuted by any officials yet. The president is silent too this time, no longer defending his "best defense minister." Maybe he too has arrived at the conclusion that is obvious to most people: It is time for P. Grachev to go....

The failure of all the past stages of the "victorious" Chechen campaign is now obvious to every sensible citizen not burdened with the need to protect the departmental honor. So-called "constitutional order" is still being established, and it continues to be unclear when it will be established definitively, but thousands have already been killed, tens of thousands have been wounded, and hundreds of thousands have become refugees. The federal troops have demonstrated to the entire world that they are not only unprepared for a "pin-pointed" local war, but for war in general. But the leaders of these troops in the ranks of generals and in the ranks of ministers and vice premiers, who have been holding the press, human rights activists, and soldiers' mothers up to shame, while constantly lying themselves—about the bombardments, about the "body bags" ["belyye kolgotki"], and the number of casualties...have shown themselves up even more obviously.

Various political circles and various odious figures have at various times been trying to ensure Pavel Grachev's resignation. However, the president was able to ignore these demands fairly calmly, as attacks against Grachev were leaving the president virtually untouched. At that time, there were enough other notable figures among the faithful comrades in arms in the monarch's retinue, whom the president "gave up" one by one during particularly aggressive attacks by the opposition—Gaydar, Poltoranin, Burbulis.... He kept Grachev and Yerin even after bloody October 1993, when the tank offensive of the former and the disarray of the latter resulted in hundreds of casualties on the Moscow streets. On that occasion it proved possible to lay most of the blame for those casualties on the White House leaders. Now things are more complex.

The attempt to use the previous scenario has clearly not worked. Although General Dudayev has been declared a criminal (without a trial or investigation), this cannot extend to the role of sole culprit for today's bloody events. There are too many empty seats next to him—for the leaders of the disastrous campaign. In the public mind, the candidates for these places have been determined fairly specifically—Grachev, Yegorov, Yerin, Stepashin.... The chances of the supreme commander in chief himself being added to this list are fairly realistic. Realizing this, the supreme commander evidently would nevertheless prefer to part with his latest loyal comrade-in-arms and find some honorary post for the defense minister.

And that is why, as we have found out, a discussion of candidates for Grachev's post is being conducted fairly actively and probing discussions have already been conducted with some of the contenders.

You can guess as to the alternative which the supreme commander in chief will ultimately prefer for as long as you like on the basis of logical deductions. But as experience suggests, in our country, the incontestable decision may have nothing to do with normal logic. Nevertheless, reflecting on the candidates, we will be guided by common sense and sober thinking.

Essentially, despite the abundance of three- or four-star generals in our country, there are not that many contenders for the post of minister of defense. It is not 1991

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now, or 1992, when you could willfully impose on the Armed Forces a leader whose status and authority were inadequate to fill the post in question. Therefore ordinary lieutenant generals need not apply.

There is, however, the not entirely ordinary Lieutenant General Lebed, whose name never comes off the pages of newspapers. However, the popularity of the Tiraspol army commander, which is somewhat charismatic, has nothing to do with his real official status, which is separated from the ministerial post by two or three quite steep rungs on the ladder. Those who conducted the campaign aimed at enhancing the general's popularity during the past year in the mass media were scarcely thinking seriously of promoting him to the ministerial post.

Colonel General A. Nikolayev, who currently heads the successors of N. Karatsupa [the Border Guard Troops], has the greatest chances among ordinary commanders and commanders in chief. He has everything, so to speak—adequate personal qualities, authority, status (he is higher in rank than the other commanders in chief of branches in the forces, and he is virtually at the level of head of a separate "power" department), and close friendships at high level. A. Nikolayev is originally an Army general, not a security general, and he arrived in the Border Guard Troops in 1993 as chief straight away.

A. Nikolayev enjoys the full trust and support of the president, and there is nothing surprising in this, since at one time General Nikolayev senior and B. Yeltsin were family friends. However, the latter circumstance will evidently force Nikolayev junior to reject all proposals to transfer to the Ministry of Defense. Yeltsin's presidential term is running out, and A. Nikolayev, if he intends to "serve until he becomes generalissimo," will find it more convenient to distance himself from the current presidential team and bide his time for a certain period as head of his pleasant department where he has successfully made significant changes in just over a year. But if he becomes minister of defense now, then when the sovereign changes he will probably have to leave too, particularly since it will not be possible to clean out the Army's Augean stables in a year or two.

Of P. Grachev's deputies, the most prestigious in the Army in the past few years have been his senior Afghan colleagues B. Gromov and G. Kondratyev (the commander of the 40th Army and his deputy respectively), who propped up the prestige of "Division Commander Pasha" while he was getting established in his post. Both were "dissidents" as regards the Chechen events, and so their candidacies will not be greeted with understanding in the president's entourage. However, Colonel General B. Gromov is, on the basis of an informal rating, military leader No. 1 in Russia today, and may potentially be invited to the post of defense minister. In extraordinary circumstances—as a last resort—in order to use the prestige of an Afghanistan commander to prevent the Army from getting out of control.

The candidacy of First Deputy Minister Andrey Kokoshin would suit the presidential entourage to a greater extent—this is undoubtedly a person from Yeltsin's team (he was appointed to the Russian Federation Ministry of Defense on the same day as P. Grachev, 3 April 1992), although he is not as close or "tested out" as the current minister. As a civilian (he worked in the United States and Canada Institute), he does not have any strong ties with the command of combat structures, and consequently the presidential team need fear no unexpected actions on his part. But will the military environment with its corporate interests and prejudices accept a civilian as top leader of the Ministry of Defense?

Essentially, there is practically no ideal candidate for the post of minister of defense who would meet all requirements and suit everyone. Therefore, unusual decisions are also possible. The appearance of certain "dark horses" cannot be ruled out either (although this is unlikely). But maybe various circumstances will nevertheless push A. Nikolayev to accept an offer which he clearly deserved and which he has refused at least twice?

Borovoy on His Meeting With Dudayev

MK0902111095 Moscow OBSHCHAYA GAZETA in Russian No 6/82, 9-15 Feb 95 (Signed to press 8 Feb) p 8

[Interview with Konstantin Borovoy, leader of the Economic Freedom Party, by Yelena Tokareva in the "De Facto" column: "Borovoy Has Found the Elusive Dzho"]

[FBIS Translated Text] Last week Konstantin Borovoy, leader of the Economic Freedom Party, had a rendezvous with Chechnya President Dzhokhar Dudayev. The rebellious general, who is on the wanted list in Russia, has for two months been successfully hiding from the Federal Counterintelligence Service, army intelligence, the Ministry of Internal Affairs, and the Prosecutor's Office. The luckless "sleuth-hounds" regularly churn out newer and newer versions about the whereabouts of the elusive Dzhokhar. He has already been moved to Ingushetia and Azerbaijan, deported to Jordan, and even to the other world. Borovoy maintains that he found Dudayev in Groznyy.

[Tokareva] Konstantin Natanovich, your meeting is so incredible that I have to ask whether you have any substantive proof of this rendezvous.

[Borovoy] I have brought a letter from Dudayev to Valeriya Novodvorskaya. See, it is even certified by the presidential seal. He also gave me some poems by his wife, Alla, called "December 31;" he believes that Valeriya Ilinichna will be able to get them published somewhere. The poems are in Russian; Dudayev's wife is Russian.

None of our politicians has helped me meet with Dzhokhar Dudayev. It is pure rumor and speculation that my trip was organized by Yevgeniy Ivanovich

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Shaposhnikov. I did everything myself. I took a civilian plane to Mineralnyye Vody, then reached Nalchik by car. In Nalchik I was turned over to people who knew Dudayev's aide. The main problem that worried them was how to ensure my security on the route to Groznyy and back. Incidentally, on the way back, when I was traveling in a car with a Chechen woman fleeing from a Groznyy suburb, a Russian aircraft made two passes at us near the village of Samashki....

Indeed, Dudayev is on the wanted list in Russia, but our troops and counterintelligence are so out of control of the situation in Chechnya that they cannot trace his movements, his safehouses, which, naturally, he often changes.

[Tokareva] What was the aim of your trip?

[Borovoy] On the whole, peacemaking. I was concerned by Dudayev's statement that he will not be able to prevent terrorist acts in Moscow. I wanted to convince him that the citizens of Russia, the mass of them, do not support the war in Chechnya and that terrorist acts against Russia's civilian population are unfair. Dudayev said that the image of Chechen terrorist is being created by the Federal Counterintelligence Service.

I proposed that Dudayev pull his troops back a kilometer from the zone of combat actions and that Russians do the same. Remove the bodies, put up a hospital, take Russians away from the conflict zone, and begin negotiations on the demilitarization of Chechnya. He refused out of hand, saying that from the military point of view this is not beneficial to him. That time when they fell for Yeltsin's edict on a cease-fire and pulled back one km, Russian troops stopped bombing for just 15 minutes and immediately took up the positions left by the Chechens. Dudayev said that he no longer trusts either the Russian military, Yeltsin, or journalists who are not showing what they could be showing.

[Tokareva] Did you discuss this cease-fire option with our authorities?

[Borovoy] Yes, in Mozdok I met with Colonel General Kulikov, who now commands our troops. After a long conversation about the fate of Russians who are left in Groznyy and who are being ruthlessly bombarded by their own artillery, the general asked me imperturbably: "Will Dudayev not agree to surrender voluntarily?" I explained to him that there is no way one can hope for that. Then he asked whether I could tell him where Dudayev was hiding so that he could be arrested. I told him that we have effectively lost the war, so why resist? The losses are enormous as they are. Kulikov responded: "Oh come on, in three days we shall encircle Groznyy, and then everything will be over." My impression from Mozdok and from our military is that the sense of realism has been fully lost.

I do not know whether Dudayev is being sly or not, but he told me that he is sorry he did not evacuate Russian residents from Groznyy together with the Chechens. The Russians thought that the Russian Army would take mercy on them. Dudayev himself says that he is shocked by such an attitude on the part of the army toward its blood brothers. He maintains that at least 1,000 civilians die every day at the hand of Russian soldiers, who conduct "sanitation cleanups of cellars." Of course, Dudayev is even more surprised that none of the Russians coming to meet him with a goodwill mission is really concerned about the fate of the Chechen people. "You, too, are concerned only about the Russians who are left in the besieged town," he reproached me.

[Tokareva] What did he say about Grachev?

[Borovoy] You will not believe this, but he said that Grachev is an honest military man and that he resisted to the last moment, not wanting to direct this operation, but that at a Security Council session he was called a coward and forced to fight.... I asked whether it was Grachev who had left him the weapons. He said that neither Grachev nor Shaposhnikov left him any weapons and that they even tried to prevent their spread among the civilian population. These weapons were sold from army depots by lower-ranking Russian officers.

[Tokareva] How did they come by such a number of top-of-the-line Mukha grenade launchers, for example?

[Borovoy] Dudayev said that the "so-called opposition," which enjoyed the Kremlin's favor, sold them a consignment of these Mukha's.

[Tokareva] The "so-called opposition"—is this his expression or yours?

[Borovoy] I would say "pseudo-opposition" because there is no serious opposition to Dudayev in Chechnya at present. It was there until our troops were brought in. Those who pose as opposition and on whose influence our authorities are counting are people with very little clout. Two such men flew with me on my way back to Moscow and were asking me the same question over and over again: Where is Dudayev hiding? Well, if they have no other possibility of establishing the whereabouts of their enemy, it is clear what they are like.

[Tokareva] Are Russian officers or men fighting on Dudayev's side?

[Borovoy] He said that there have been such instances. For example, those several men who were taken prisoner. They were kept in a sanitarium near Groznyy; somebody learned about this and reported it to our command. The Dudayevites immediately moved the prisoners to another place and gave them an opportunity to see how, several hours later, Russian aviation began to bomb that sanitarium. The prisoners were shaken by what they had seen, and moved to Dudayev's side....

[Tokareva] How much longer do you think the Chechens will be able to fight?

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[Borovoy] Dudayev says for 10 years. They have good weapons and a well-trained army. The longer they hold out, the more active assistance there will be for them from the outside, and more foreign volunteers will be coming. We have nothing to hope for there. Nothing.

Yeltsin Confirms Results of Lipetsk Elections

LD0702220895 Moscow ITAR-TASS in English 1959 GMT 7 Feb 95

[FBIS Transcribed Text] Moscow February 7 TASS—Russian President Boris Yeltsin put an end to prolonged legal proceedings which were initiated by the former chief of the administration of the Lipetsk region Gennadiy Kuptsov, who had questioned the results of official local elections.

Yeltsin ruled "to consider Gennadiy kuptsov relieved of the post of the head of the administration of the Lipetsk region" on Tuesday, by issuing a special decree.

In accordance with the results of the elections, which were held on a competitive basis in Lipetsk on April 11, 1993 and did not involve any violations of the law, Mikhail Narolin, 59, was elected governor of the Lipetsk region.

Since then, Kuptsov has spent six months trying to revoke these results through various authorities and get an allowance "in compensation of enforced idleness".

Russian Supreme Court declined his suit and declared the results of the elections legitimate. Now the Russian president, for his part, has confirmed the ruling.

Narolin was Kuptsov's deputy for quite a long period when the latter was the governor. He emerges as a supporter of consolidating economic potentials of the urban and rural districts and reinforcing technical discipline at work and the law.

Murmansk Officials on Fight Against Crime

954F1167B Murmansk POLYARNAYA ZVEZDA in Russian 5 Jan 95 p 2

[Report by L. Kozheva: "Is This Very Bad or Very Good? Notes From the Oblast Administration Collegium"]

[FBIS Translated Text] **The bureaucratic art of talking a lot and at the same time saying nothing is truly something to behold and is amazingly persistent. Look closely into these phrases: "helped to strengthen somewhat," "interaction was reinforced," "placed under particular watch..." These are fragments from the decision of the collegium of the Murmansk Oblast administration, held in December of last year in the "white house."**

The collegium's topic was very serious—crime suppression. Top officials from the militia, the counterintelligence service (the former KGB), and the procuracy reported on the progress of implementing the Comprehensive Regional Program of Strengthening Law and Order and Suppression of Crime for 1994-95. Half a year has passed since the program was adopted. It is time to summarize the results. What are they?

Most measures outlined in the comprehensive program have been implemented (the rest were not because of lack of financing). Joint actions of various agencies—the militia, counterintelligence, and the procuracy—against the common enemy, crime, paid off. Heads of enforcement structures see as their main achievement the decline in the general level of crime by 20.2 percent as compared to the same period of last year.

As is known, figures are hard to argue with, and on paper (in this case, in reports) they look quite impressive. Detained: 6,764 persons who have committed a crime. Solved: 7,193 crimes. Fewer muggings, robberies, and thefts were registered.... But at the same time, figures are relative. The figure of 7,193 comprises a little more than half of the total number of crimes, which means that one in two crimes remained unsolved. As to the decline in the level of crimes against property, it may show two things: Either there are indeed fewer muggings, robberies, and thefts now, or, having lost faith in the militia, people simply stopped turning to it for help, and crimes go unreported. The same goes for the total number of crimes, which "declined by 20.2 percent." Does such a decline tell us that each resident of our oblast now feels more secure and confident in the safety of his life and property?

There was no answer to this most important question in the reports. Apparently, none was expected—as is the case with any analogous annual reports that have sounded in this hall from this very rostrum five and 10 years ago.

The second part of the collegium promised to be completely new. The reason was the subject. Which was as follows: "On the Progress of Implementing the President of Russia's Edict No. 1226, dated 14 June 1994, 'On Immediate Measures of Protecting the Population From Gangsterism and Other Manifestations of Organized Crime.'"

As a reminder. This is an unprecedented document in the history of the organs of law enforcement. At the time when it was adopted, specialists—both opponents and proponents—agreed that the edict gave practically unlimited powers to law enforcement personnel and violated the constitutional rights of citizens. Nevertheless, the document was recognized as a necessary, extraordinary measure.

Judging by the reports of UVD [Administration of Internal Affairs] chief V.K. Krayev and G.A. Gurylev, chief of the FCS [Federal Counterintelligence Service] Murmansk Oblast administration, implementation of the edict is proceeding very successfully. Here is just an excerpt from the list of achievements, where figures

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speak for themselves (they are the result of both autonomous operations and inter-agency interaction).

"Implementation of the president's Edict No. 1226 enabled us to identify 77 organized crime groups. In the process, 262 members of such groups were identified. At the time of detention, R174 million worth of property, money, and valuables were confiscated from the criminals, as well as $19,800 and 14 units of firearms." In addition, said the UVD chief's report, more than 500 raids had been conducted on the consumer market, and huge fines were levied on violators. "Intensification of suppression of group and organized crime helped to reduce the number of crimes by 20.2 percent—mainly through the decline in such crimes as grave bodily harm, robbery, mugging, theft, and car theft."

Strange. The measures are extraordinary. The results—the same. And all positive on top of that. Not a single negative fact was mentioned in B.K. Krayev's and G.A. Gurylev's reports with respect to activities of their agencies.

Remember, in the times of stagnation the proper form for reports "on activities over the elapsed period" was to cheerfully recount achievements and modestly gloss over shortcomings. But now everything has changed, has it not? Or is it perhaps that with the president's help everything is indeed going smoothly, without a hitch or a glitch, in the militia and counterintelligence operations?

It turns out that this is not the case. Judging by the report of the oblast procurator V.A. Klochkov, he has a different opinion. Summing up the reports of the speakers that preceded him, he said: "In the implementation of the presidential edict, UVD personnel occasionally violated the law. The oblast procuracy receives citizen complaints on this matter."

In addition, V.A. Klochkov announced the intent to "strengthen procuracy oversight to see that the additional powers the edict gives to law enforcement agencies are applied only to persons suspected of gangsterism or participation in other organized groups, as well as when information exists that this group has committed serious crimes."

V.A. Klochkov was the first among the speakers to remember what was the occasion for those present to gather here in the first place: He was the first to utter the word "gangsterism." Despite the fact that this event had a direct bearing on this evil, or rather, suppression of it.

Although perhaps heads of enforcement agencies themselves do not understand what is required of them. Because, on one hand, the edict gave them additional powers. On the other, we are still waiting for the adoption of a new Criminal Code, which will clearly define what is an organized criminal group, what is a gang, and how they differ from one another.

According to the UVD chief, over half a year 150 persons were detained for the period of up to 30 days (in keeping with the edict). This brings up the question: To whom do the law enforcement agencies apply the additional powers?

Mercury Contamination Continues To Register Near Archangel

LD0702224595 Moscow ITAR-TASS World Service in Russian 1845 GMT 7 Feb 95

[Editorial report] Moscow ITAR-TASS World Service in Russian at 1845 GMT on 7 February carries 500-word report by Vladimir Anufriyev on mercury pollution in the waters of the northern Dvina area near Archangel. Reception is good.

The report begins noting that instruments continue to register the presence of small concentrations of mercury ions in samples of river water. Anufriyev notes that under normal circumstances there should be no ions in the samples.

The correspondent states that mercury salts continue to come into the river from the purification plant of the Archangel Pulp and Paper Combine in Novodvinsk. He says that 16 tonnes of mercury compounds had been leaked into the river by the end of January, with a concentration level from these toxins exceeding the permitted limit by 740 times.

Anufriyev says: "The main mass of the toxic discharge was taken by the current into the White Sea; however, a significant amount was absorbed by active silt at the purification plant."

He then states that according to Anatoliy Minyayev, the general director of the Department for Protection of the Environment and Natural Resources of the Archangel Region Administration, it is impossible to close the purification plant because it takes effluent from all of Novodvinsk. Minyayev says: "There are no plants left in Russia for the regeneration of mercury. And Ukraine, where this used to be done, does not now want to take other people's dangerous wastes."

Seminar Told of Plans for New Reactors at Sosnovyy Bor

BR0702132495 Helsinki HUFVUDSTADSBLADET in Swedish 4 Feb 95 p 5

[Report by Annika Hallsten: "New Reactors Planned for Sosnovyy Bor"]

[FBIS Translated Text] Ten new nuclear reactors will be built in Sosnovyy Bor, according to current plans. It is a question of two projects, which are not substitutes for one another, and it is about making new inroads on the international energy market. One of the 10 reactors—a pressurized water reactor—has been given safety guarantees from the German companies Siemens and GRS.

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In addition there are plans for Russia, Germany, and France to cooperate in the construction of a recycling plant at Sosnovyy Bor.

"Is it a new international ambition to take advantage of the economic misery in Russia?" asked Ulla Klotzer, deputy chairman of the Green League.

The plans for the new reactors in Sosnovyy Bor were raised at a seminar in Helsinki on Friday [3 February]. Also present at the seminar was Oleg Bodrov who during the period 1976-80 worked on the testing of submarine reactors in Sosnovyy Bor but who is now working at an environmental institute in the town.

Bodrov too is now calling for an international discussion of the planned reactors.

"They are a potential danger threatening the entire Baltic Sea region," he said.

In Sosnovyy Bor, which is located 100 km from Finland, 80 km from the center of St. Petersburg, and 70 km from Estonia, there are seven nuclear reactors today of which four are so-called Chernobyl reactors, RBMK-1000 [high-power pressure-tube reactor], and three are test reactors for submarines. A fourth reactor intended for military purposes is under construction.

In addition there is a storage facility for nuclear waste.

Two major projects are thus now being planned which together would result in the construction of another 10 reactors in Sosnovyy Bor. In the first project the Leningrad's power station (which is the same as the Sosnovyy Bor power station) has entered into an agreement with 17 military industrial plants in St. Petersburg to build a new RBMK reactor before the useful life of the present reactors has come to an end.

The reactors would eventually be replaced by five new MKER-800 reactors (an improved version of the RBMK) and thereafter another three MKER [expansion unknown] reactors would eventually be built a few kilometers west of the present complex.

World Bank Warning

In other words there are plans to build another new RBMK reactor despite the fact that in a 1993 report the World Bank warned against these very reactors. They are considered the world's most dangerous reactors, among other things because they are without protective casings.

In a 1991 report the International Atomic Energy Agency, IAEA, stated that in the next five years the probability of a major accident was one to four if use of the most dangerous nuclear reactors continued as before.

The first of the planned reactors in Sosnovyy Bor would be taken into service in 2003 and the last in 2011. The major investor is the Leningrad power station, and this means that government funds are not needed.

Russia also has no nuclear energy laws and laws about final storage of radioactive waste. According to Iida Siimes from Finnish Greenpeace, the Russian Duma discussed proposed nuclear energy legislation as recently as last week, but the proposal was rejected.

The second project—that is, the construction of a pressurized water reactor—will begin this year if it becomes reality. This project has the support of the Russian state's nuclear energy oversight committee, Gosatomnadsor, and the Russian Environmental Ministry, GosComPriroda.

Waste Transport to The Arctic Ocean

Today the highly active nuclear waste from the plants in Sosnovyy Bor is stored in a complex just north of the reactors and approximately one km from the coastline of the Gulf of Finland. But there are plans to transport the highly active? waste to Novaya Zemlya in the Arctic Ocean.

The transports would in that case go by sea.

Altogether it is a question of the final storage of 10,000 tonnes of spent, but extremely highly active nuclear fuel. By way of comparison it can be noted that Finland so far has sent barely 300 tonnes of radioactive waste to Mayak.

Economic Issues

Davydov on Suspending Talks With IMF, Financial Obligations

LD0802182695 Moscow ITAR-TASS in English 1623 GMT 8 Feb 95

[FBIS Transcribed Text] Moscow February 8 BUSINESS-TASS—The suspension of talks with the International Monetary Fund will not affect Russia's fulfilment of its obligations, Russian Minister of Foreign Economic Relations Oleg Davydov said.

Davydov told journalists on Wednesday that Russia takes its debts very seriously.

"We are ready to start paying interest to the London Club on the 1992-93 debt estimated at 500 million U.S. dollars. We also begin to pay off Vneshekonombank's Eurobonds valued at 317.3 million dollars," Davydov said.

Russia's foreign debt is 112.7 billion dollars and may reach 130.3 billion by the end of 1995. A lion's share of the debt is the former Soviet Union's liabilities which amount to 104 billion dollars, including 35 billion dollars in foreign credits granted by the Paris Club, 28.4 billion dollars in outstanding payments to foreign banks participating in the London Club and 29 billion in Soviet debt payments to ex-socialist countries.

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Russia and the IMF suspended talks on a six-billion-dollar standby loan to Russia on Monday, indicating they would resume them later this month.

The talks broke up after IMF experts voiced concern that Russia's 1995 budget might be unrealistic in light of additional expenditures caused by the war in Chechnya and the parliament's decision to raise the minimum wage.

However, IMF Director-General Michel Camdessus called for granting Russia a standby loan and helping it sort out its problems.

The Central Bank's firm policy in the first half of 1994 indicated that it might enable Russia to curb inflation. However, things worsened in the six months that followed, mostly due to the ineffective system of tax collection and the October crash of the rouble. The military campaign in Chechnya may also cause a substantial increase in defence spending and the budget deficit, Camdessus said.

He said Russia's immediate task should be a one-digit inflation figure and "non-inflationary" budget deficit.

Economy Minister on Russia's Position at IMF Talks

LD0802192295 Moscow Mayak Radio Network in Russian 1350 GMT 8 Feb 95

[FBIS Translated Text] In an overview of last year's foreign trade, Mayak correspondent Valeriy Kiosa quoted figures given by Oleg Davydov, foreign Economic Relations Minister, at a press conference today. He then said that one of the problems the government had to deal with this year was its talks with the IMF. Kiosa asked Economy Minister Yevgeniy Yasin to comment. Yasin said:

[Begin Yasin recording] We have to satisfy certain demands it places on us, relating to specialized exporters, relating to centralized exports and imports, as well as the conditions of the liberalization of the oil market, access to pipelines. It is these sorts of questions which really slow us down.

The matter of customs duties is a serious question, which has many aspects and has an impact on consumers, producers, and our partners. They will obviously say that our customs duties are lower.

Our position, when it comes to IMF, is that before we start talks with them, we must adopt a stronger position. We must increase customs duties as a preventative measure in order to have the possibility to lower them, and simply defend the interests of our economy. [end recording]

Asked whether Russia would manage to force or persuade the IMF to agree with this position, Yasin said:

[Begin Yasin recording] We cannot force them to do anything, but we must persuade them, and I believe we have a strong argument. [end recording]

IMF Director Says Moscow Needs To Curb Inflation

LD0702181095 Moscow ITAR-TASS in English 1709 GMT 6 Feb 95

[By ITAR-TASS correspondent Igor Shchegolev]

[FBIS Transcribed Text] Paris February 7 TASS—Russia should be given a standby loan and assistance if it is willing to sort out its problems, Director-General of the International Monetary Fund (IMF) Michel Camdessus told a news conference here today.

Camdessus said he was sure an agreement between the IMF and Moscow would reached, but declined to say how soon. The IMF director added that Russia needs this agreement, and the world needs the Russian economy.

Camdessus said the IMF's impression in the first half of 1994 was that the firm policy of the Central bank of Russia would enable it to curb inflation. However, things seriously worsened in successive six months, Camdessus said. Some of causes were problems with tax collection and the October crash of the rouble. The military campaign in Chechnya may entail substantial growth of defence spending and deterioration of the budget balance, the IMF head thinks.

Camdessus said present targets of Russia should be a one-digit inflation figure and bringing the budget deficit to a "non-inflationary level".

U.S., Russian Aides Eye Investment, Finance

MM0902100795 Moscow ROSSIYSKIYE VESTI in Russian 8 Feb 95 p 3

[Report by Alla Dubinskaya and Margarita Lemeshko: "Alliance Between United States and Russia in Financial and Investment Market Not Forlorn Hope"]

[FBIS Translated Text] According to the participants in the international conference "Investments and the Financial Market of the United States and Russia: Potential and Prospects" held in January in New York under the auspices of the Russian Finance Corporation and its U.S. partners with the support of the Russian Federation Economics Ministry and the State Committee for the Management of State Property, the U.S. Department of the Treasury and the Department of Commerce, the forecasts for investment in the Russian market are not too encouraging. The stumbling block for investors in 1995 is still the unstable legislative base and the imperfect mechanism of state monitoring to ensure that those involved in the market observe the spirit and letter of the law. However, even though this problem is aggravated by the Chechen military campaign and the

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threat of a new "Black Tuesday," Russia remains a focus of attention for Western business people.

While the majority of foreign investment funds have adopted a wait-and-see approach and are following the progress of the Russian reforms in a cool and detached way, more than 100 leaders of Russian and U.S. financial institutions, departments, and private companies with a vital interest in the regulation of the investment and finance markets met at the Grand Hyatt hotel in Manhattan. The task facing the financiers from Citibank, Morgan Stanley, Chase Manhattan, and Chemical Bank and the Russian bankers from Stolichnyy, Rossiyskiy Kredit, Mezhekonomsberbank, Germestsentr, Moskovskaya Nedvizhimost, and other representatives of U.S. and Russian business was to evaluate the realistic chances of raising the Russian economy to the world level and options for Russian-U.S. economic cooperation.

As was to be expected, the assessment of the immediate prospects for such an alliance was mixed. On the one hand, despite the Western companies' losses connected with the stock market crisis in the fall of 1994, when the shares of certain major Russian issuers were wiped out, Russia in 1995 is still top of their investment plans. Evidence of this—as the directors of Croesus Capital Management, for example, stated—is provided by the Russian-U.S.-Dutch investment company which it has formed in Moscow in conjunction with the Russian Finance Corporation and Mies Pierson, a major Dutch bank: The intention of this investment company is to accumulate the resources of Western institutional investors and channel them into the Russian market. On the other hand, according to the participants in the forum, the situation in Russia at the start of the year, which is not conducive to the development of foreign investments, can only reduce the already meager volume of foreign portfolio investments, which currently does not exceed $2.5 billion.

The reason for this, according to Andrey Nechayev, president of the Russian Finance Corporation, is not just the constantly changing legislative "rules of the game" in the somewhat uncivilized Russian stock market but also the difficulties involved in registering the transfer of the right of ownership of registered Russian securities. According to the Western investment companies, a number of Russian enterprise leaders have been involved in shady dealings with company share registers, with the result that a substantial quantity of investments remained in the hands of middlemen and thus did not reach their intended target. In addition to outright swindling and the unscrupulous conduct of certain Russian issuers cited by Yuriy Zverev, deputy chairman of the Russian Federal Property Fund, a serious obstacle to the participation of foreign investors in postvoucher privatization is the lack of reliable information on the financial status of the enterprises being privatized.

However, despite the clear difficulties in implementing Western investment plans in post-perestroyka Russia, the investment intentions of the representatives of a number of the biggest U.S. companies were not so gloomy. The statistics of the U.S. Overseas Private Investment Corporation show that it allocated $395 million for the financing and insurance of seven investment projects in the CIS in 1994, while the 29 Russian contracts signed for 1995 are already worth at least $665 million.

The quintessential feature of the meeting was the discussion of the characteristics of promising areas in Russia's state investment policy and opportunities for foreign investors to work with Russian state securities and joint stock company securities, as well as of guarantees for direct investments from the United States. In the light of recent Russian Government measures designed to encourage investments, Vladimir Kossov, Russian deputy economics minister, identified enterprises' own resources as key reserves for investments and said that the Economics Ministry will set aside 20 percent of budget funds for effective investment projects. Given the highly limited potential of state support for enterprises, even a 10-percent guaranteed stake by foreign capital in our investments is, in the deputy minister's opinion, a tangible help.

"Russian enterprises need Western investments, Western technology, and Western equipment," the organizers of the conference said, summing up. "However, Russia today, where the system of insurance companies is still not strong enough to insure investment risks, cannot yet guarantee the return of credits by each enterprise. And this vicious circle will take time to break—with the methodical organization of close informational, business, and personal contacts between Western investors and leading Russian investment and finance institutions."

But in January's "highest-level" dialogue the first step toward one another by the Russian and U.S. leaders of finance companies and investment funds was to acquaint Russians with the mechanism of dealings in the U.S. securities markets, international investment insurance and guarantee systems, and U.S. experience in forming business plans, building investment portfolios, and setting up investment and venture capital funds. The next stage of the Russo-U.S. cooperation program in the stock and investment market will be the Moscow meeting in spring 1995, which will familiarize U.S. businessmen with the problems and prospects of the fledgling Russian securities market.

'Serious Flaws' Seen in Foreign Trade Performance

MM0902125795 Moscow ROSSIYSKIYE VESTI in Russian 9 Feb 95 p 1

[Report by Yuriy Nikolayev: "Exports Have Increased, but 70 Percent Consists of Raw Materials"]

[FBIS Translated Text] A session of the Russian Federation Government yesterday examined the results of foreign economic activity for the past year.

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As in previous years, the balance of trade was in the black—the treasury earned $19.8 billion. Overall commodity turnover came to $76,223 million. This is 7.2 percent up on 1993. In money terms the volume of foreign trade transactions increased by $5.1 billion. As for exports, they increased by 8.4 percent.

Nevertheless there are serious flaws hidden behind the facade of prosperity. The most important of these is the structure of exports, a little over 70 percent of which consist of raw materials. We are beginning to look like a source of raw materials for the West. The further liberalization of foreign economic activity, which allowed producers to export products abroad, also played its part.

Foreign trade results have always attracted the attention of government and society—the Ministry of Foreign Economic Relations contribution to the treasury has always had a significant effect on the country's currency reserves.

At this session of the Cabinet of Ministers it was Vice Premier and Ministry of Foreign Economic Relations chief Oleg Davydov who delivered the report. In response to a question from ROSSIYSKIYE VESTI's correspondent on how the government evaluated the results of foreign economic activity in 1994, O. Davydov's verbatim reply was as follows: "Better than for others, and worse than we would have liked."

Davydov Outlines Foreign Debt Situation

LD0802160895 Moscow 2x2 Television in Russian 1400 GMT 8 Feb 95

[FBIS Translated Text] Russia's foreign debt currently stands at $120 billion and a considerable proportion of the payments against it are due in the years 1995-97. This was announced at today's session of the government by Deputy Prime Minister Oleg Davydov. He noted that payments are building up already on account of the strictly Russian debts which are not due for rescheduling.

Meanwhile, the total of debts of developing countries to Russia amount to $147 billion. These countries will repay the debts largely by means of goods deliveries.

'Basic Conditions' Governing Use of Oil Export Facilities

MM0802121495 Moscow ROSSIYSKAYA GAZETA in Russian 4 Feb 95 First Edition p 4

["Basic Conditions for the Utilization of the System of Main Oil Pipelines, Petroleum Product Pipelines, and Seaport Terminals for the Export of Oil and Petroleum Products Beyond the Russian Federation Customs Area"—ROSSIYSKAYA GAZETA headline]

[FBIS Translated Text] The present Basic Conditions were formulated with a view to implementing the Russian Federation President's Edict No. 1385 of 1 July 1994 "On Export Shipments of Oil and Petroleum Products in 1994" and stipulate the requirements governing the use of main oil pipelines, petroleum product pipelines, and seaport terminals for the export of oil (Footnote) (oil means oil, including gas condensate—hereinafter oil) and petroleum products beyond the Russian Federation customs area, as envisaged in the production contracts concluded by the Russian Ministry of Fuel and Energy with the "Transneft" Joint-Stock Company.

1. The system of main oil pipelines, petroleum product pipelines, and seaport terminals aimed at exporting oil and petroleum products from the Russian Federation customs area is utilized with allowances for their capacity and for ensuring domestic market supplies, on the basis of the principle of equal access proportional to the volume of extraction (processing) of oil and petroleum products.

2. The Interdepartmental Commission regulating matters pertaining to the utilization of the system of main oil pipelines, petroleum product pipelines, and seaport terminals for the export of oil and petroleum products beyond the Russian Federation customs area (hereinafter the Commission) monitors implementation of the right to use the system of main oil pipelines, petroleum product pipelines, and seaport terminals.

3. Oil shipment volumes for each oil producer are envisaged mainly in accordance with the oil extraction volume featured in the quarterly schedules for shipment through the system of main oil pipelines.

The aforementioned schedules are ratified by the Russian Ministry of Fuel and Energy as agreed with the Commission no later than 15 days before the next quarter; and producers and the "Transneft" Joint-Stock Company are informed.

4. With a view to ensuring the compilation of quarterly schedules oil producers, no later than 30 days before the next quarter, submit proposals to the "Transneft" Joint-Stock Company regarding oil shipments to consumers with appended information regarding oil extraction volumes during the previous period.

No later than 30 days before the next quarter the "Transneft" Joint-Stock Company submits information to the Russian Ministry of Fuel and Energy regarding the capacity of the system of main oil pipelines for the coming quarter mindful of the capacity of this system and of the seaport terminals and indicating oil and petroleum product suppliers.

The Russian Ministry of Fuel and Energy drafts proposals pertaining to the utilization of the system of main oil pipelines and seaport terminals and submits them to the Commission no later than 25 days before the next quarter.

5. The Commission examines, no later than 20 days before the next quarter, the Russian Ministry of Fuel and Energy's proposals pertaining to the utilization of the

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system of main oil pipelines and seaport terminals based on the principle of equal access to them for all oil producers both in terms of volume and also in terms of direction, and coordinates them.

6. Oil is transported through the system of main oil pipelines in accordance with contracts concluded with the "Transneft" Joint-Stock Company or with that company's enterprises in accordance with the approved schedules.

7. Oil and petroleum products are exported beyond the Russian Federation customs area in accordance with prescribed procedure by oil extraction and processing enterprises via organizations registered with the Russian Ministry of Foreign Economic Relations.

Enterprises with foreign investment export oil and petroleum products classified as output from their own production unit beyond the Russian Federation customs area in accordance with Russian Federation legislation.

Oil and petroleum products are exported from the Russian Federation provided that the aforementioned commodities have customs clearance in accordance with Russian Federation customs legislation.

Grain Supply Situation Viewed, Need for Imports Argued

MM0802120095 Moscow ROSSIYSKIYE VESTI in Russian 7 Feb 95 p 2

[Report by Artem Lysenko: "Grain Market Survey: January. The Russian Bear Is Kind When His Stomach Is Full: Why It Is Most Convenient To Import Grain"]

[FBIS Translated Text] Russia will clearly be forced to import more grain than it has purchased from Russian producers if the normal life of the country is to be ensured. As of today federal stocks have received only 2.4 million tonnes of the planned 11 million tonnes. The situation regarding regional grain stocks is a little better: They are almost half full (9.8 million of the planned 23 million tonnes). However, average figures are not very informative. For example, in Bashkortostan the situation regarding grain stocks is very favorable, while the federal corporation Roskhlebprodukt, as its leadership reports, has received figures from 16 Russian regions indicating that the grain supply there has deteriorated. Some of those regions are requesting urgent help in the form of money or grain. Such a situation obtains in Sverdlovsk, Perm, Kostroma, and Ivanovo Oblasts. Moreover, the grain crisis is prompting oblast administrations to operate on the principle of looking after number one. They will not allow grain to be taken out of their own territories while the majority of them have nevertheless actively purchased grain in other oblasts. That is how they operated in Saratov, Samara, and Orenburg Oblasts in December. Many specialists acknowledge that such bans are manifestly at odds with the president's Edict on the Grain Market. According to experts of the OGO company, today grain can be freely taken out of only the three largest grain-producing regions—Krasnodar and Stavropol Krays and Rostov Oblast.

The Russian peasants are extremely reluctant to deliver what high-quality grain is left to the state elevators. Some put this down mainly to the fact that there is no longer any wheat of the requisite quality in the country. Farm leaders are not therefore in a position to make shipments even "for good money." Others—these are mostly representatives of commercial structures—think that a sufficiently large amount of quality grain still remains at local level but that the prices do not suit the producers. They are asking at least 400,000 rubles [R] per tonne for third-grade wheat while the state, in the shape of Roskhlebprodukt, can offer up to R330,000 per tonne. The prices in commercial structures are somewhat higher (going up to R360,000), but they do not suit the farmers either. The market suffers grievously from territorial paralysis and financial enfeeblement.

This situation was forecast by ROSSIYSKIYE VESTI (see issue no. 1, 5 January 1995)—high-quality wheat became very scarce in January. The new year is traditionally associated with a cash explosion. It was expected, and therefore the producers were in no hurry to part with the grain. The almost complete predictability of the new year increase in prices meant that the managers' natural desire not to miscalculate aggravated the objective economic difficulties. The leap in prices thus stimulated not an increase in supply, as usually happens, but, on the contrary, a sharp fall in the volume of sales. But this was immediately followed not by the expected 8-10 percent increase but by an increase of 20-25 percent. The Russian grain market is not likely to overcome this crisis in the very near future. And consequently the price of grain will continue to go up. Specialists believe stabilization of prices depends on centralized supplies of foreign grain.

The current situation reveals yet another worrying facet of the market: No one knows how much grain remains on the farms. In other words, it is impossible accurately to determine our producers' potential and estimate Russia's needs in the world market.

Experts of the federal corporation Roskhlebprodukt think that it will be possible to reduce the grain shortage by using the so-called reserve stocks which are kept in case of war or other extreme situations involving reduced food supplies. If we encroach on the reserve supply and do not replenish it this year we will be able to normalize the situation by purchasing only 3 million tonnes of grain. But the state clearly lacks the wherewithal even for this. That is, purchases must be financed by Roskhlebprodukt out of the profit derived from commercial transactions. Unfortunately, the size of the profit earned is insufficient today. This structure did manage to earn a little from the sale of 400,000 tonnes of barley last year, but the profit earned from this does not constitute even one-tenth of the money required today.

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Given this desperate situation, the Russian grain bosses—with an ingenuity worthy of the rogueish [fictional] Ostap Bender—are nevertheless planning to import grain. But for free. It seems that this is more realistic than scrabbling around in the budget. All you have to do is convincingly threaten your Western counterparts that the Russian bear (most of them now associate Russia with this image) is dangerous when hungry and persuade them of the need to fill his stomach and make him kindly disposed by granting soft loans for a period of 10 to 15 years. This idea is now being seriously considered in the top state structures. Such potential creditors have not yet been found, but, according to Roskhlebprodukt Vice President Yevgeniy Tyurin, they can be.

Zaveryukha Views Tasks, Problems of Agriculture

LD0802131795 Moscow ITAR-TASS in English 1257 GMT 8 Feb 95

[By ITAR-TASS correspondent Aleksey Filatov]

[FBIS Transcribed Text] Moscow February 8 TASS—"The 1995 draft budget appropriates 13,800 billion roubles for the Russian agro-industrial complex, taking into account a stabilization fund.

"It was decided to set up the fund with an additional 1.5-percent tax and to channel money for work to improve soil fertility, to set off partially the cost of fuel and lubricants, to purchase machinery, seeds and furtilizers on a leasing basis," Russian Vice- Premier in charge of agriculture Aleksandr Zaveryukha said in an interview with ITAR-TASS here on Wednesday.

Turning to the main areas in the work of the agro-industrial complex in 1995, he stressed that "it will be necessary to continue to improve production and land relations by establishing an economic mechanism to regulate them".

The vice-premier stressed that "owners of land and property shares who appeared in the countryside, should be masters by right and should care, above all, for raising the efficiency of work they are doing.

"In this respect, experience has already been accumulated in the Samara, Moscow, Tula, Bryansk and other regions where agricultural producers defy difficult economic conditions and achieve efficient production through cooperation of forces and funds. This area of work should assume primary importance in the new year," Zaveryukha stressed.

The vice-premier pins great hopes on a land code and a bill on agricultural cooperation (now under preparation) when pulling agricultural production out of the crisis. These documents will help to put production and land relations on a legal basis.

Besides, Zaveryukha noted that "the Russian legislature should draft as priority documents bills 'on the programme of restoration and development of the agroindustrial complex for 1996-2000' and 'on systems of running the agro-industrial complex'".

Food Price Inflation in Jan Highest for 1 Year

MM0902090195 Moscow ROSSIYSKAYA GAZETA in Russian 8 Feb 95 First Edition p 3

[Report "based on figures provided by the Russian Federation Government Center for the Economic Situation": "January: The Month's Prices. Moscow Still Unmoved by Tears"]

[FBIS Translated Text] "Monday is a difficult day." To some extent this truism can also be applied to the beginning of the year. At any rate the inflation rate in January stood at 17.8 percent and has not been so high since last January (22 percent). Prices of consumer services and food broke free as it were: Over the past month prices of food and paid consumer services have increased by 21 and 23 percent respectively.

The capital particularly "excelled itself": Consumer prices went off the scale compared to the average Russian level, increasing by 25 percent, while the price of services increased by 160 percent.

As happened a year ago, food prices in January increased by almost one-fourth—21 percent to be precise. As happened late last year, early this year there was a sharp increase in the price of milk, curds, and sour cream—by 34 percent and butter and eggs—by 33 percent. In late January one liter of milk in Russia on average cost 1,515 rubles [R] (we would remind you that in September it cost R607) while 1 kg of butter cost R20,082 (R4,307 early in the fall) and 10 eggs R4,111 (R1,384 in September). But the prices of meat, vegetables, and fish also increased by 27, 25, and 21 percent respectively. Things were better whe it came to vegetable oil—it "only" increased in price by 8.5 percent, while the price of vodka increased by 11 percent and the price of sugar and confectionery by 13 percent.

The average cost of the basket of 19 most important foods increased by 25.9 percent compared with last month and stood at R135,000 rubles a month in late January, up R27,735 on late last year.

In January prices of "consumer goods" changed more slowly than food prices. In the past month consumer prices increased by 12 percent. Prices of fuel increased the most—by 23 percent (including 26 percent for gasoline). What is more the price of certain kinds of furniture, cotton fabrics, and matches increased perceptibly—by 16-19 percent. Prices of footwear, silk fabrics, and certain kinds of medicine increased less than others—by 8-9 percent.

The cheapest goods were sold in January in the cities of the Volga-Vyatka Region where one in five reported commodities were sold at the cheapest prices in Russia.

In January prices of gas, rent, hot water, and electricity increased the most noticeably (by 70, 60, 50, and 30 percent respectively).

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As for Muscovites, the price of their services increased by 160 percent over the past month, which is more than double the Russia-wide increase in these prices and tariffs. In January the price of gas for the capital's residents increased almost 10-fold, by 780 percent, while rents and the price of hot water increased by 740 and 680 percent respectively.

'Contradictory' Budget Leaves Army Strapped

MM0802165995 Moscow KRASNAYA ZVEZDA in Russian 8 Feb 95 pp 1, 3

[Article by Lieutenant Colonel Ivan Ivanyuk: "Army Still Has Not Received 12 Trillion Rubles for 1994. What Is It Going To Live On This Year?"]

[FBIS Translated Text] I have a feeling that the number of people who want to make the Chechnya tragedy seem commonplace is not getting any smaller. The daily reports coming out of the combat operations zone are becoming routine and phlegmatic, as if it were preordained that the Russian Army should engage in such emergency actions. And the fact that soldiers are pitched from unheated barracks into frozen trenches and are subjected to one wave of criticism and slander after another is presented by some people as perfectly normal.

Society remains pathologically unaware of its moral duty to the Army. Moreover, the Army is being told to bear the material outlay—both disagreeable and unforeseen—connected with the Chechnya events. The cynicism here can be seen in the suggestion by high-ranking government bureaucrats that the Army should have allocated money for training anyway. As if training in such conditions were now a commonplace matter for the troops....

That is to say, the government is unaware of its own purely material duty to an army which had no opportunity to get down to combat training prior to this. Of course, the Russian troop grouping in Chechnya could perfectly well be financed in full out of the military budget, given that there are only a few tens of thousands of officers and men involved there. But what about the remaining 1.5 million servicemen whom the state has the right at any moment to confront with the need to perform another equally unexpected and onerous task?

The recent statement by Finance Minister Vladimir Panskov that the state owes the Defense Ministry 2-3 trillion rubles [R] makes you wonder about certain of the professional features of the new ruler atop our financial Mount Olympus. First, the man who is responsible for spending each and every ruble of the country's budget blithely allows the aforementioned discrepancy of trillions to occur in the figures. Let us assume that the minister may be unaware of the exact sum, although it was not for nothing that people used to say in the past that a debt may not howl, but it won't let you get to sleep either. But, what is worse, Mr. Panskov does not even know the approximate sum of the appropriations which the Finance Ministry should have allocated in respect of one of the main sections of the country's budget—expenditure on defense.

Last year's results have at last been computed and we can give the exact figures. For 1994 a figure of R40.6 trillion was ratified by law; discounting pensions for military servicemen and the expenditure of the Ministry of Atomic Energy, it came to R37.3 trillion. Actually, however, around R21.8 trillion was allocated in monetary resources. Moreover, to clear arrears and eliminate unpaid allocations, quotas for the placement of treasury bonds of approximately R2 trillion were determined and enterprises and organizations were given tax exemptions of almost R1.5 trillion. Those sums did not, to be blunt, make any significant difference, and in very many cases the problem could only be resolved by real money. Ultimately, and taking such transfusions into account, the Defense Ministry experienced a total shortfall of around R12 trillion as opposed to the 2-3 trillion claimed by the minister.

How the basic expenditure items were financed in relation to the Defense Ministry estimate (see table below) is also of interest.

The Russian Federation Finance Ministry Debt in Financing the Defense Ministry in 1994 in Relation to the Sum Ratified by Law

	Billion Rubles	Percentage
I. Upkeep of the Army and Navy	5,628.6	26.0
II. Payment on Armaments, Military Equipment and Property	3,013.5	35.8
III. Capital Construction and Major Overhaul	2,558.0	53.3
IV. Research and Development Costs	751.5	30.9
Total	11,951.6	32.1

Clearly, the Defense Ministry received barely a third of the sum that was ratified. So to pretend now that these state debts do not exist is naive, to say the least. The Army and Navy, as a rule, have earmarked this money for certain services and products, and sooner or later they will have to pay up. To be specific, the Defense Ministry's debts as of 1 January 1995 were R7.8 trillion.

For instance, transport workers alone were owed no less than R500 billion. This is already forcing considerable reductions in military shipments. The disbanding of a number of military units and commands is already being halted, since it is impossible to carry it out without transferring material assets, equipment, and armaments. The actual total Defense Ministry debt is, I think, substantially greater—after all, contingency supplies (which have to be replenished) are rapidly being exhausted, and the payment of wages, salaries, and so forth is being delayed.

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If these debts are not repaid in the very near future, suppliers will refuse to have any dealings with the military department—as is already happening in a number of cases. It is already clear that these debts will be a severe burden on the 1995 budget. When discussing it on third reading it would be no bad thing for State Duma deputies to pay some attention to simple arithmetic. R44 trillion on defense needs in the context of forecast inflation rates corresponds to last year's R25-26 trillion. If the debts are paid out of this sum, what will the Army and Navy have to live on? After all, even without these debts many figures in the budget go beyond the bounds of good sense. For instance, so far R2.5 trillion has been ratified for paying pensions to military pensioners. This comes to... 93 percent of the sum allocated for 1994. To all intents and purposes this money will be about enough to last six months—inflation has already shown its nature, and it is not amenable to government directives. Even in the context of Armed Forces cutbacks the number of military pensioners will inevitably increase. Are the government and State Duma perhaps planning to scale back the level of pensions in the light of unrestrained price growth, or do they think that military pensioners will start dropping like flies?

Incidentally, it cannot be ruled out that there may actually be even less money in the state coffers than the government—which is clearly not intending to put too much effort into collecting its taxes this year—had planned. As they say, it is clear even to the uninitiated that the adopted budget is essentially contradictory. On the one hand, there is the proclaimed course of tough financial stabilization and of combating inflation in every possible way; on the other, an unprecedented increase in taxes on individual is being proposed. It is typical that wage payments account for just 40 percent of this revenue. Clearly, it is planned to obtain the rest from citizens by "fleecing" them in the financial market, increasing its revenues by 150 percent. At least the government intends to galvanize the financial market in every possible way this year, by issuing securities. Any risk-takers in that area will inevitably be interested in increasing inflation—which guarantees reduced risk and increased profits in such situations. We thus come full circle.

These kinds of budget "deficiencies" are already making their presence felt—both in the sphere of the state treasury bond market and at the level of funding the budget sphere this year. Thus, if we take one-twelfth of the military spending planned by the government for the year (R44 trillion), it turns out that the Defense Ministry should have been allocated R3.6 trillion in January. Yet the Finance Ministry restricted the military department to R2.8 trillion for the first month of the year, and in fact R1.18 trillion was allocated. Unfortunately, last year's picture is being repeated—not even the crumbs that were promised are actually being allocated. And there is no mention at all of the debts. The Defense Ministry has again been forced to beg for what should rightly be its due under the law.

In this connection it is worth noting the finance minister's statement in a TV interview—he allegedly said that he would not tolerate any petitioners in his waiting room. Strikes a familiar chord, doesn't it? After the words "I will not tolerate" the well-known city governor described by Saltykov-Shchedrin usually added the words "...I will destroy them!"

As we can see, everything is headed that way.

Union Leader Says Miners Prepared To Strike 1 March

LD0802152895

[FBIS Editorial Report] Moscow Mayak Radio Network in Russian at 1315 GMT on 8 February carries a telephone interview of under 4 minutes with Vitaliy Budko, chairman of the Russian coal miners' trade union, by a Mayak Radio correspondent. Budko is asked about the debt repayment schedule, which the government has said it will adhere to, and why the miners are still striking today. He replies: "Unfortunately, no schedule exists yet. It is only being worked on. But most important, on Saturday, when the government working group was reporting to Chubays about the necessary funds to repay the miners their first quarterly installment, the sum mentioned was R2,500 billion, but Mr. Chubays decided that miners would have to do with R1,200 billion, which is only half the sum. I would also like to stress that it was the government group which worked out this schedule and calculated that as a minimum the miners would need R2,500 billion."

Asked whether today's warning strike would have the desired effect, Budko replies: "Our trade union has always believed, and still believes that all points of disagreement must be sorted out at the negotiations table. I must unfortunately repeat that the negotiations ended fruitlessly, and this is the last stage, when the miners are forced to take extreme measures. Therefore, in this situation, we will continue to take further measures, and if today's action, in which about 80 percent of coal-extracting enterprises across Russia and more than 500,000 miners are taking part, if this action does not force the government to accept our demands, we will prepare for the action on 1 March, a national strike until our demands are fully complied with."

When the correspondent said that the miners' strike has a very bad effect on other industries and sectors, such as health care, military, and education, and could lead to further disruptions in production and a higher unemployment rate, Budko replies: "First of all, we are not demanding that the entire debt for 1994-1995 be repaid at once. We understand that this is impossible. We are saying that the repayment must be step-by-step, but we must know exactly how much and when we will be paid.

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This is first. Second, the money we are demanding today is not something new, some new decision. This is not an increase in salary. This is the money allocated in the 1994 budget, and the little bit of money allocated in the second reading of the 1995 budget. The government has known about this money for a very long time. We cannot be accused of taking money away from our comrades, teachers, doctors, and other state employees. Let me repeat that we do understand that our action today causes a negative reaction, and first of all in our own Russian coal industry. We are undermining ourselves, because we cannot afford to strike. We must work, and we must work harder and more efficiently. But I must repeat that we have been put on our knees."

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International Affairs

U.S. Firm To Modernize Nuclear Power Plant Systems

MM0802172195 Moscow ROSSIYSKAYA GAZETA in Russian 8 Feb 95 First Edition p 6

[Report from ITAR-TASS/INTERFAX column under the "Foreign News" rubric: "Agreement on Cooperation"]

[FBIS Translated Text] In Kiev the U.S. Trade and Development Agency and Kharkov's "Khartron" Production Association have signed an agreement on cooperation.

The document provides for "Khartron" to receive $200,000 to modernize the control and measuring systems at Ukraine's nuclear electric power stations.

This project will be implemented in three stages jointly with the Westinghouse Electric Corporation—a company which has also agreed to provide $200,000 to support a study of the "Khartron" Association's potential.

Kuchma Urges Cooperation in Space Technology

WS0802130995 Kiev INTELNEWS in English 0150 GMT 08 Feb 95

[FBIS Transcribed Text] Kiev, Feb. 7—President Leonid Kuchma urged Monday [6 February] heads of the Ukrainian, Russian, United States, and Norwegian space agencies to maintain cooperation with Ukraine in space technology, according to the Open Media Research Institute. Ukraine's cooperative links are at risk due to economic crisis.

Russia, which had called the meeting, proposed developing the Ukrainian automatic Zenith rocket for commercial use. The U.S. firm Boeing is reportedly interested in developing the Zenith, as are the Norwegian company Kvarner and the Russian firm Energia, developers of the Buran rocket.

Kuchma Departs for CIS Summit in Almaty

LD0902114695 Kiev Radio Ukraine World Service in Ukrainian 1100 GMT 9 Feb 95

[FBIS Translated Excerpt] Ukrainian President Leonid Kuchma left today for Almaty at the head of a Ukrainian delegation to participate in a meeting of [CIS] heads of state which will open Friday. The delegation includes: Prime Minister Vitaliy Masol; Foreign Minister Hennadiy Udovenko; Valeriy Shmarov, deputy prime minister and defense minister; Valeriy Pustovoytenko, minister of the Cabinet of Ministers; Justice Minister Vasyl Onopenko; Yuriy Kravchenko, chairman of Ukraine's State Customs Committee; Viktor Bannykh, chairman of the State Committee for the Protection of Ukrainian State Borders; and other officials. [passage omitted]

Progress Reported in Bilateral Talks With Russia

WS0802130895 Kiev INTELNEWS in English 0150 GMT 08 Feb 95

[FBIS Transcribed Text] Kiev, Feb. 7—Ukraine and Russia made progress Tuesday [7 February] in what is hoped to be the final stage in Russian-Ukrainian negotiations over the Friendship, Partnership, and Cooperation Treaty between the two states, according to a source in the Ukrainian delegation.

The provision on dual citizenship—a major sticking point stalling the treaty—will be removed from the treaty and considered in a separate document, according to the source.

Russian Ambassador to Ukraine Yuriy Smoliakov positively assessed the negotiations, saying "the positions of both sides have softened."

Meanwhile, Russian Federation First Deputy Prime Minister Oleg Soskovets who arrived in Kiev Tuesday denies dual citizenship was addressed in talks with First Deputy Prime Minister Yevhen Marchuk and President Leonid Kuchma.

The fate of the treaty remains unclear. Soskovets' visit this week was rescheduled several times. When asked if the negotiations will be the last in the series of talks, Soskovets only replied, "I suppose." Marchuk agreed that the final version of the treaty might not be prepared on this visit.

The outcome of the talks will determine how soon Russian President Boris Yeltsin will visit Kiev to sign the treaty, according to Ukrainian Foreign Ministry officials. Tensions have risen recently over the rights of national minorities in Russia, dual citizenship and the wording on the provision on territorial integrity. "Debates on these issues are a bullfight—only it is unclear who is the bull," Natalia Zarudna, Foreign Ministry information service deputy chief, told Intel-News.

Ukraine categorically opposes the inclusion of a provision on dual Russian-Ukrainian citizenship and insists the wording on border inviolability "take the form of other such statutes included in Russian agreements with other states," said Zarudna.

Kuchma reiterated his intention to smooth differences with Russia. "We give great importance to relations with Russia," he said after closed-door talks with Soskovets.

Soskovets said the talks will prepare for the visit of Yeltsin which is not yet scheduled. "It all depends on the will of the presidents," he said.

Relations between the two states are currently governed by a separate Friendship and Cooperation Treaty signed by Russia and the Ukrainian Soviet Socialist Republic

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Nov. 19, 1990. Notably, territorial integrity and inviolability of the Ukrainian Republic's borders are fixed in the initial treaty, according to Zarudna.

Parliament Foreign Policy Committee member Anton Buteiko said only "certain phrasing" in the 1990 treaty needs to be changed for the basis of the new treaty. Buteiko said the two presidents reached an agreement on the outstanding issues at their mid-January meeting in Moscow, but "the current stage of Russian policy is characterized by the failure to recognize previous agreements between presidents."

"This treaty should have been signed the day before yesterday, but the Russian side is still convinced that the treaty is needed more by Ukraine than Russia," added Buteiko.

Officials will also debate the division of the jointly administered Black Sea Fleet, another loaded issue souring relations between the two states. "Thank God at the beginning of the talks we excluded this issue from the comprehensive treaty," said Zarudna.

The Russian and Ukrainian officials will also finalize 10 trade and economic agreements and an accord on technical military cooperation prepared in January by the two states.

Mutual Concessions Made in Talks

LD0802202695 Moscow INTERFAX in English 1715 GMT 8 Feb 95

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Kuchma met with leader of the Russian delegation to the talks with Ukraine, Russia's First Vice Premier Oleg Soskovets in Kiev on Tuesday [7 February].

He expressed hope that the arrival of the Russian delegation in Ukraine "will make it possible to consider all of the specific issues, so a long-term bilateral treaty might be signed."

In his turn, Soskovets confirmed the Russian delegation's plans to prepare a Russian-Ukrainian summit meeting for signing the basic documents. "We shall try to catch up with the treaties earlier signed with Kazakhstan and Belarus," he said, adding that Russia "respects Ukraine's independence and will deal with it on the basis of this principle."

Meanwhile, Ukraine's First Vice Premier Yevgeniy Marchuk told journalists that Boris Yeltsin's visit to Ukraine will take place not later than March. The exact date will be announced after the Russian-Ukrainian talks in Ukraine, he said.

Commenting on the talks Marchuk said that progress had been made in virtually all spheres of bilateral relations. "The two sides have been making concessions to each other," he said. Nearly all disputes over a broad political treaty, to be signed by the two presidents, have been resolved, and on the Black Sea Fleet issue "a formula has been found that can form a basis for a joint declaration that can be signed by the presidents of the two countries," Marchuk said.

But Kiev's arrears for Russian energy, and payments it has to make to Moscow for current energy supplies have proved the most difficult problem to settle, he said.

Friendship Treaty Initialled

LD0802171795 Kiev UNIAN in Ukrainian 1600 GMT 8 Feb 95

[FBIS Translated Excerpt] Kiev—Russian First Deputy Prime Minister Oleg Soskovets and Ukrainian First Deputy Prime Minister Yevheniy Marchuk have initialled a treaty on friendship, cooperation, and partnership between Ukraine and the Russian Federation. [passage omitted]

Valeriy Shmarov, Ukraine's defense minister and deputy prime minister, and Soskovets have signed agreements on undertaking reciprocal deliveries of military hardware and cooperation in the area of the rocket and space industries, Marchuk, who is in charge of the delegation of Ukraine, told journalists.

He added the dual citizenship clause was left out of the text of the political treaty.

A member of the delegation of Ukraine said that, at the earnest request of the Russian side, the word "state" was excluded from the wording of the provision that the Russian Federation "confirms the territorial integrity and inviolability of the state borders of Ukraine."

Agreement on Black Sea Fleet Base in Sevastopol

LD0802155995 Moscow ITAR-TASS World Service in Russian 1525 GMT 8 Feb 95

[By ITAR-TASS correspondents Oleg Velichko, Viktor Demidenko, and Mikhail Melnik]

[FBIS Translated Text] Kiev, 8 Feb— Ukraine has agreed that Russia's Black Sea Fleet should be based in Sevastopol. This was announced at a news conference today by Deputy Prime Minister Yevgeniy Marchuk on the results of the two days of talks. In addition, the Ukrainian side consented to Russia using a number of other military facilities on a long-term basis. According to Russian Deputy Prime Minister Oleg Soskovets, the sides drafted a protocol on settlement of the problems of the Black Sea Fleet.

"In this process we made considerable progress in bringing our positions closer together," the head of the Russian government delegation stressed.

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Masol on Treaty With Moscow, Economy

WS0802134595 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 31 Jan 95 p 3

[Interview with Ukrainian Supreme Council Chairman Vitaliy Masol by VSEUKRAINSKIYE VEDOMOSTI Chief Editor Aleksandr Shvets and Aleksandr Kuchmenko, head of the "People's Television of Ukraine" television company; place and date not given: "Different Opinions Are Needed To Search for the Truth"]

[FBIS Translated Text] Last week, on 26 January, the offices of VSEUKRAINSKIYE VEDOMOSTI were visited by Ukrainian Prime Minister Vitaliy Masol, the most experienced of all politicians currently in power. During a conversation with VSEUKRAINSKIYE VEDOMOSTI Chief Editor Aleksandr Shvets and Aleksandr Kuchmenko, head of the "People's Television of Ukraine" television company, which televised this meeting as part of the "People for People" feature, Vitaliy Masol answered a range of both political and personal questions.

[VSEUKRAINSKIYE VEDOMOSTI] How do you assess the results of the negotiations in Moscow?

[Masol] In general, the trip was interesting. We worked in Moscow the entire day, drafting documents. At the end of the day, the presidents held a meeting. After that, President Kuchma met with Russian Prime Minister Viktor Chernomyrdin to coordinate issues regarding the signing of a trade and economic agreement between our states for 1995. It has been for several months now that we have been working fruitfully with Russian delegations and heads of ministries and institutions to resolve numerous issues of an economic nature regarding the preparation of a political treaty between Russia and Ukraine.

First Deputy Prime Minister Yevheniy Marchuk is working on the preparation of the treaty on our side. Many issues are practically resolved now. This is why no signature of any agreement was originally planned during the visit of our president to Russia. Afterwards, however, we came to the conclusion that the trade and economic agreement for 1995 should be signed to enable us to jointly work and develop economic relations of our enterprises, ministries, and institutions with their Russian counterparts.

Toward this end, many issues that raised objections and counter objections had to be addressed; on the whole, however, the discussion was conducted in a friendly and neighborly manner. We came to terms in the resolution of many problems.

Our debt to Russia for 1992-94 remains a very acute problem. In the course of meetings by President Kuchma with Boris Yeltsin and Viktor Chernomyrdin, however, we managed to reach agreement on ways to cope with this issue, too. Both prime ministers signed a protocol on further work intended to resolve all issues regarding Ukraine's debts for gas, as well as the ones that appeared as a result of Ukraine's departure from the ruble zone. The protocol determined a specific timeframe for resolution of those problems. Our specialists will soon work on them.

This is why I believe that both in political and economic terms, the fact that we signed the trade and economic agreement for 1995 will prove very significant for the economy of our state. The rest of the issues will be settled in the immediate future.

[VSEUKRAINSKIYE VEDOMOSTI] Does this mean that we can expect that a political treaty between our two countries will be signed? Some observers believe that no progress has been made in preparing this treaty on the government level. The process is long delayed, which finally called for intervention by the president. Can we say that the above talks moved us any closer to signing the treaty?

[Masol] In principle, one cannot agree with the journalists who claim that not all key issues were resolved at the government level. The point is that not all problems can be resolved at this level—some of them lie directly within the competence of the president.

This is why, I think that a certain agreement was actually reached during the meeting on the resolution of issues that are currently disputed by Russia and Ukraine from the perspective of the political treaty being signed. In my opinion, this will happen in the immediate future.

[VSEUKRAINSKIYE VEDOMOSTI] What do you think about attempts by certain political forces to restore the Soviet Union?

[Masol] I do not understand why anyone would seek to pursue this goal now. Some time ago, our people cast their votes in favor of Ukrainian independence. At present, a task for all citizens of our country should be to do their best to make it stronger economically and genuinely independent politically. Every state should strive for its consolidation.

In addition, in terms of its practical implementation, this problem will not be resolved for the next several decades. Until then, Ukraine will really become economically independent and self-reliant.

After all, we have our own financial and banking systems, the developed political system, enterprises for which the problem of self-support and independence on imported assembly parts is already settled. Nevertheless, there are still many questions which we should address with Russia.

As Ukraine does not have its own energy sources, it is forced to import them from other countries, with Russia remaining our chief source of supplies in the foreseeable future—even though we are now establishing relations with other countries, too. The same applies to some kinds of raw materials, in particular, those used by the chemical industry.

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This is the reason why we should cooperate with Russian enterprises on economic issues. The state has no funds to create industries that we do not have now.

Anyway, the issue of restoring the Soviet Union is entirely irrelevant at this point, and I do not understand the politicians that are now raising it.

[VSEUKRAINSKIYE VEDOMOSTI] You probably have your own vision of ways to lead Ukraine out of the present severe economic crisis. Will the suspension of privatization not reflect on the current situation in the country?

[Masol] We really have the most urgent economic problem—energy sources and the negative trade balance stemming largely from that problem. Privatization should be carried out at a fast pace, but it is not the priority task at present.

The most important thing is to reduce the negative trade balance. Certain moves in this direction have already been planned. They embrace first of all a reduction in so-called non-critical imports. For example, we can extract more coal instead of buying it elsewhere to put our coal-mining industry back to work. If we refuse to provide subsidies to this industry, numerous mines will be shut down, while we will still need coal. So, we will have to purchase it to keep our electric power stations operating.

The same applies to medicine, imports of which currently amount to $500-600 million. We need to create our own pharmaceutical industry.

I would like to see Ukrainian goods on the shelves of our stores rather than what is available there now. Do we not have our own mineral water, for example? Or, why do we have to buy an imported coat in our stores? We have our national light industry, and should provide all conditions for this industry to work.

We already attended to this problem, building a plant near Rovno which will turn out 500 million bottles per year. The first bottles could be produced as early as the third quarter of this year. I cannot agree with those reformists who say that we should refrain from a credit emission to finalize the construction of that plant. No, we should not, because we will have bottles in nine months, which will increase revenues to the budget. Then, the credit emission next year would be smaller.

The same can be said about the building of reactor No. 6 at the Zaporozhye nuclear power plant, which calls for a trillion [karbovanetses]. The budget does not have such a hefty sum. However, we could again launch a credit emission, selling a portion of the energy produced for hard currency to other countries.

By the way, the most pressing problem of the power engineering industry is creation of energy-saving technologies. Although this way will be more difficult than building additional power plants, it is a very efficient measure to reduce critical imports.

We will also support the karbovanets exchange rate. But again, if we fail to slash the trade deficit, it will be extremely difficult, if not impossible, to retain a steady exchange rate of our national monetary unit.

[VSEUKRAINSKIYE VEDOMOSTI] In other words, you do not view the intensified process of privatization as a cure-all for our troubles? After all, people have money, and they would like to become owners, which would ensure more revenues to the state budget...

[Masol] Privatization is not capable of solving all of our problems. For example, the chemical industry, even a privatized one, will not work without gas. All steps made in this direction should be consistent, and I do not approve of hastiness in handling this issue. They say: "Haste makes waste."

In my opinion, we should start by privatizing the service sector—cafeterias, stores, restaurants, etc. We will really get the money then. If we start to privatize a large metallurgical plant, we will raise no money.

As for the service sector, privatization there could be conducted without any expenses at all, but provided that a new owner will set up a facility with a specific specialization.

[VSEUKRAINSKIYE VEDOMOSTI] What is your attitude toward criticism? Some of the students that went on a hunger strike some time ago to demand your resignation, now consider you one of the most radical state leaders, capable of conducting sweeping economic reforms. At the same time, you are criticized by the president and one of the deputy prime ministers.

[Masol] I believe that different opinions are needed to search for the truth, while criticism is part of the search for truth. It can be objective and subjective, but it should not overstep norms of interpersonal communication. This is why I take criticism calmly and draw relevant conclusions based on it as long as it does not assume other forms.

Only, it is a shame that old traditions proved so firm: Just as in the past, when all good things were attributed to the [CPSU] Politburo and all bad things to the State Planning Committee or the Cabinet of Ministers, at present, too, we have the traditionally right and wrong.

[VSEUKRAINSKIYE VEDOMOSTI] It would be difficult to not touch upon the problem of transport. In all developed countries, the railroad is subsidized by the state because of its significance to society. In Ukraine, it was stripped of any support from the state and, to survive, it is forced to raise prices for tickets well beyond the people's means...

[Masol] The railroads should make profits from transporting cargoes. And it should seek clients for such services. Indeed, you cannot earn much money off

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people at present. I remember that the excise on vodka was raised some time ago—people stopped buying it. But they started to buy it once again when the excise was reduced. I am against increasing the excise now. The same thing with tickets—once the price of air travel went up, people started traveling by train. Generally speaking, the price-fixing policy should be balanced, also regarding the railroads.

[VSEUKRAINSKIYE VEDOMOSTI] We know that you are an ardent soccer fan. What do you think about the prospects for Ukrainian soccer in the coming season?

[Masol] One should never forget about sports, even when the state is in a very poor condition. What would people in other countries think about us if they see that we cannot support even a potentially winning team? Let them know that there is not only misery in Ukraine! The same applies to soccer—as in the past, we should attract the attention of the entire soccer world. This is why I consider it my duty to help sport organizations when they turn to me for assistance.

Kuchma on Russian Relations, Other Issues

954F1256A Donetsk AKTSENT in Russian 7 Feb 95 p 1

[Unattributed report on speeches of President L.D. Kuchma during his visit to Donetsk Oblast: "'In My View, Vladimir Shcherban Is Acting Perfectly Sensibly'"]

[FBIS Translated Text] What happened was that we obtained a fragment of the former economic policy of the Soviet Union. We did not have an exclusive economy. We controlled about 10 percent of our Ukrainian economy; all the rest was controlled from Moscow. We manufactured up to 30 percent of the finished product. And when we became divorced from Russia, and did not divorce in all that civilized a fashion, what is more, Russia began to build its own exclusive economy. Russia has enough of its own concerns, and our policy of self-isolation, which we pursued for several years, was added to this. Our economy has taken shape such that as of today Ukraine has a balance of payments deficit amounting to $5 billion.

So there are nothing but problems, and we have done nothing this whole time but simply float with the current. No one will present us with anything on a platter with a blue border; we must rely only on ourselves. And on the fact that the world has faith in us and in the fact that we have really embarked on the reforms that we have proclaimed. But I repeat once again that our economy cannot survive under the conditions of world prices. Serious structural reorganization is essential. In metallurgy, in chemical industry, in mechanical engineering, in agriculture, and in much, much else. Otherwise we will become uncompetitive. We have lost about 50 percent on our own market, not to mention the market of Russia. So the situation here is extremely serious, and this year of 1995 will be the most critical, decisive, year, unless we falter. This means that if we have chosen a path, and we need to move along it.

Russia was and should remain our main partner. I recently had a meeting with Boris Nikolayevich Yeltsin, Viktor Stepanovich Chernomyrdin, prime minister of Russia, and other leaders. I have been waiting to see Boris Nikolayevich in Ukraine since my first day in office as president. What are the problems that exist between Ukraine and Russia that permit us to speak of not entirely good- neighborly relations? I would like to say unequivocally that there are no problems on the part of the president of Ukraine. There are questions in respect to a long-term treaty on cooperation. First, the territorial question. The question of the sanctity of borders. This is the most important question of all, specially since the treaty signed at the meeting of the Nuclear Nonproliferation Council emphasized the inviolability of our borders. The second question is that of dual citizenship. Both during the election campaign and today I have said that there is no example of such a thing anywhere in the world. This is a nonsense. That in Ukraine, in which 13-15 million Russians, Ukrainians in terms of their passports, live, people should all of a sudden tomorrow become Russians. At the same time I am clearly aware that there should be no problems between Ukraine and Russia when there is a need to acquire Russian or Ukrainian citizenship. So that there be no problem for the 500,000- 600,000 Ukrainians extracting oil in Tyumen if they need to return to Ukraine. Twice we have unambiguously reached agreement on these two points with Boris Nikolayevich. What has happened subsequently is a long story....

The next question is that of the Black Sea Fleet. I proposed back in 1993, when Russia adopted the decision to switch in trade with Ukraine to world prices: Let us lease this fleet to Russia, and we will obtain oil and gas for this. Free of charge, conditionally speaking. We did not do so. We, Ukraine, do not need such a fleet. We do not have strategic interests on the oceans as we once did in the former Soviet Union. There was a time when our fleet followed the U.S. 7th Fleet, and it, ours. Ukraine needs a fleet to guard its borders. Its internal borders on the Black Sea. Besides, we are not economically in a position to maintain the present fleet. We held a meeting of the National Security Council yesterday and will take to the Supreme Council a proposal concerning a reduction in the size of the army that we have. The events in Chechnya have shown that it is necessary to have a professional army, not an army recruited of 19- year-old boys. As a joke, incidentally, I once said to Kravchuk and Yeltsin: What are we arguing about? Let us take the entire Black Sea Fleet out into the oceans and give the command to fire from all types of weapons, and what is not sunk, we will share (there would be nothing to share).

What is the main problem? The fact that at the negotiations the Russian side cites as the fleet's main base the city of Sevastopol. But a city with residents can by no international rules or standards be a military base.

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What do I see as the future of our relationship with Russia? Commodities, not money, crossing the border. We have six oil refineries, which are today loaded only 10 percent. Had we moved even earlier to create such a financial and industrial group with the oilmen of Siberia, the banks, and Western investors, Ukraine would have petroleum products because it is profitable for oilmen also to sell not crude but petroleum products. The state's relations with the enterprises should consist of just one thing—taxes—and if an enterprise operates steadily, it will steadily pay its taxes, to the local treasury included.

There is in your Donetsk Oblast the unique Khartsyzsk Pipe Plant. But today Russia is purchasing such pipes in Texas—this means that we have already found ourselves in a hopeless situation. Had we been guided not by policy but the interests of the economy—obtained skelp at the Lipetsk Plant, done the rolling at the Ilich Plant, then, to Khartsyzsk, then, to Tyumen—this would have been profitable to everyone. But we, each of us, are dying alone. Think, therefore, and give me proposals as to how we might re-establish work with Russian enterprises, then the Western investor will come to us with great readiness also.

I understand the main problems, which have made practically the majority of enterprises insolvent. These amount first and foremost to the absence of working assets. But I am gratified, nonetheless, that even under these most onerous conditions there are enterprises that are working splendidly. We have today visited Viktor Ivanovich Trubchaninov's Yasinovatka Machine-Building Plant, which works mainly for the coal miners. And just imagine—we walked through the whole plant, and people just carried on working. No one was distracted by the visitors. And this in itself says a great deal. We visited the Tochmash today. Over 90 percent of the output here recently was military. A plant that manufactured missiles—you can imagine this production line. Today I can say unequivocally that this plant has a fine future. This plant has already begun to take on workers. The people working at this plant believe that the plant will get back on its feet. But we still have many managers who are waiting for something to turn up.

Questions of arrears. This is, truly, a dreadful business. What we have here primarily is an absence of the most elementary discipline. Here also we should be thinking first and foremost about the coal miners. This is the nerve center of the economy.

I cannot understand why in the past two years coal production has fallen from 135 million to 90 million tonnes. Props were obtained to the extent of 108 percent. I do not believe that the wear and tear of your fixed capital has in two years been such as to have caused output to drop 30 percent. I did not hear this analysis today: Why!? Why such a drop in productivity? There are many objective reasons. But there are subjective reasons also. The fate of the Donbass in the former Union was predetermined. It had been given up as a bad job. Nothing was being invested here, therefore. We need to get through this troubled time, until there are investments in the modernization and construction of the mines. Let us search together. There has today been a useful discussion for all members of the government (as you can see, we have come here in the full complement, almost). I promise that on the part of the president everything within reasonable limits will be done to help you. And however difficult this year is for us, we will win!

[Correspondent] Will the Kudyukin case be investigated in full, and is it not frightening to fan this conflagration?

[Kuchma] No. Had the appropriate decision been made back in 1993, in the winter, when everything had been published in the press also, none of the subsequent events would have occurred. I reversed the edict on the creation of the Blasko stock company, since there had been not a whiff of the formation of a stock company there, it was a screen to cover various machinations.

[Correspondent] Your indexing of deposits has caused some discontent among the citizens. Will this be modified in any way?

[Kuchma] We indexed personal deposits by a factor of 2,200. If you want the money in cash, go and sell your certificate at the exchange. But I would advise you against doing anything foolish.

[Correspondent] Your law on local government is not supported by the local councils.

[Kuchma] I want us to move toward a civilized society in order that there be a normal delineation of powers—executive, legislative, judicial. That there be an end to the diarchy in our country. The legislature should influence society via laws. But with us everyone wants to be involved in control functions. This is, after all, far easier! And there is less responsibility. We cannot simply copy Western laws. We copied them initially, and now see what we have. We should undertake lawmaking on the basis of the present situation and the mentality of our people. The local councils are not being eliminated. These councils will remain as organs of local government. We must eliminate the vertical line of the councils because this also is a nonsense. After all, the chairman of the oblast council is today the servant of two masters, and he does not know whom to serve. According to the information at our disposal, incidentally, two-thirds of the councils supported the law on power.

[Correspondent] Your assessment of the reforms being undertaken in the oblast by Vladimir Petrovich Shcherban?

[Kuchma] In my view, he is acting perfectly sensibly. He has liberalized prices, and people are coming to you for food from Lugansk Oblast, where everything is subsidized. You cannot fight the laws of nature. A commodity should cost as much as it is worth. It is easier for the state

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to pay for unemployment than to subsidize the manufacture of products that no one wants. It is time to set populism aside. Social justice should amount to the fact that if you have hands and a brain, you should live normally. And if you are not in a position to do so, the state should help you. Not everyone, the way we subsidize. Why subsidize the person who is capable of feeding himself? It is this that would be social justice, not that which individual parties are shouting about, proposing nothing constructive. Some people are shouting: Let us increase production. We do not want production for production's sake. We must manufacture competitive products.

[Correspondent] Will the question of so-called Kiev time be reconsidered?

[Kuchma] Yes, I wanted in the fall to sign an edict keeping the time as it was, but it is simply that I later gave this some thought, since it should be adopted in two months, from the viewpoint of international standards.

[Correspondent] Have you attempted to revise language policy?

[Kuchma] I spoke about language policy in my inauguration speech. Submitting this problem today, even to the Supreme Council, would cause serious confrontation. Who today in Donetsk is prohibiting the use of Russian as an official language? Today this problem no longer arises, in my view. A normal process is under way. I, as president, am obliged to help Ukrainian truly become the state language. By the civilized support of the state.

[Correspondent] Did you promise to transfer to the newspapers free of charge the premises that they occupy?

[Kuchma] Have they not been transferred? Vladimir Petrovich will transfer them. I believe that the press needs to be supported.

[Correspondent] When will the hryvna be introduced?

[Kuchma] We need for this to lower considerably the level of inflation and to obtain a stabilization fund of the order of $1.5 billion. When these matters have been settled in about three months, perhaps more, monetary reform will be announced by presidential edict. I promise that it will not be confiscatory. Reform will be undertaken this year.

National Affairs

Commission: Black Sea Fleet Property Plundered

LD0802231195 Kiev UNIAN in Ukrainian 1900 GMT 8 Feb 95

[FBIS Translated Text] Kiev—About 100 denominations of the Black Sea Fleet property, armaments, and military hardware were illegally leased out, taken away, and sold during 1992-94. Valeriy Palamarchuk, a member of the Ukrainian Supreme Council's ad hoc deputy commission for studying the political and legal situation in Crimea, told UNIAN today.

In particular, a sports club, a seamen's club, a naval officers' house, a Black Sea Fleet building office in Sevastopol, military sanatorium "Yalta" in Yalta, and a naval hospital club in Nikolayev were leased out under offices, cafes, bars, and restaurants.

The Yamal rescue launch was sent to the Baltic Fleet, a submarine of the Varshavyanka type, design 877, was sent to the Northern Fleet. The BS-555 submarine, design 1840, was passed to the Baltic Fleet under the pretext of repairs, as a result of which Ukraine's Naval Forces lost this unique experimental vessel.

Vessels were sold as scrap metal via commercial structures. In particular, three submarines were passed to Bulgaria as payment for the repair of ships. The Bulgarian flag was immediately hoisted over those submarines.

The health center "Delfin" in Nikolayev was also sold to commercial structures. Facilities of the 116th Brigade of River Boats (a club, a bathhouse, and a medical warehouse) were sold for 4.5 billion karbovantsi. A Black Sea Fleet missile military base and a technical base in Balaklava was actually plundered and ruined.

Commenting on these facts, passed to the commission by Rear Admiral Ryzhenko, The chief of staff of Ukraine's Naval Forces, People's Deputy Anton Koropenko said the officers' corps of the Black Sea Fleet were unaware of what their leadership, headed by Rear Admiral Eduard Baltin, was engaged in. These facts, in the opinion of Valeriy Palamarchuk and Anton Koropenko, once again confirm the fact that the main problem of the Black Sea Fleet is the division of property.

Kuchma Orders Procedure To Ensure Gas Supplies

LD0802220195 Kiev UNIAN in Ukrainian 1900 GMT 8 Feb 95

[FBIS Translated Text] Kiev—Ukrainian President Leonid Kuchma has signed a decree "On the Procedure of Providing Ukraine's National Economy and Population with Natural Gas and on Payments for Gas in 1995".

In compliance with the decree, the State Committee for Oil, Gas and Oil-Refining Industry (Derzhnaftohazprom of Ukraine) and the state joint-stock company Ukrresursy have been charged with ensuring supplies of natural gas to Ukraine. The state joint-stock company Ukrresursy has been charged with settling accounts for gas.

The joint-stock society Ukrhazprom is settling accounts for gas until the state joint-stock company Ukrresursy concludes a contract with the Russian joint-stock company Gazprom.

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The Cabinet of Ministers of Ukraine has been instructed to submit within two weeks proposals concerning the introduction of an acceptance-free manner of payments for natural gas.

Deputy Prime Minister Ihor Mityukov, Serhiy Osyka, deputy prime minister and Minister of external economic relations, and Anatoliy Dyuba, deputy prime minister for the fuel and energy complex, were charged with exercising control over the implementation of the decree.

Also, a procedure of forming natural gas resources, their distribution and payments for natural gas in Ukraine in 1995 has been approved.

Parliament Passes Law on Use of Nuclear Energy

LD0802185895 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 8 Feb 95

[FBIS Translated Text] At its plenary sitting on 8 February, the Supreme Council of Ukraine passed a law on the use of nuclear energy and radiation safety.

This is a fundamental document in nuclear legislation. It determines the priority of man's safety in the environment, lays down citizens' rights and duties in the sphere of the use of nuclear energy, and regulates activities connected with the use of nuclear installations and sources of ionizing radiation. The law also provides for a legal basis of Ukraine's international obligation as far as the use of nuclear energy is concerned.

After voting on individual articles, people's deputies gave a second reading to a law on exclusive maritime economic zone and introduced amendments to Ukraine's enforceable enactments concerning the application of criminal punishment in the form of a fine.

The Supreme Council ratified the agreement between the Ukrainian and Lithuanian governments on the promotion and mutual protection of investments.

Committee Against Organized Crime Formed

954F1254B Simferopol KRYMSKAYA PRAVDA in Russian 7 Feb 95 p 1

[Unattributed report: "Coordinating Committee for the Fight Against Corruption Formed"]

[FBIS Translated Text] In accordance with the edict of the president of Ukraine of 21 July 1994 "On Urgent Measures To Intensify the Fight Against Crime," the Government of Crimea has decided to form a Coordinating Committee for the Fight Against Corruption and Organized Crime.

The decree of the Government of Crimea of 19 January 1995 on the formation of the committee notes that up to the approval of its statute the coordinating committee under the auspices of the Government of Crimea will be guided in its activity by a letter of the analogous committee under the president of Ukraine of 29 December 1994.

A.F. Demichenko, deputy prime minister of the Government of Crimea, was confirmed chairman of the Coordinating Committee for the Fight Against Corruption and Organized Crime.

Deputy: Crimea Not Aligning Legislation With Kiev

LD0802210095 Kiev UNIAR in Ukrainian 1630 GMT 8 Feb 95

[FBIS Translated Text] Kiev, 8 Feb—On the initiative of the parliamentary ad hoc commission for studying the political and legal situation in Crimea, at a session of Ukraine's Supreme Council Presidium, the Commission for Legal Policy and Court and Legal Reform, the Commission for Legal Affairs and Law Enforcement, and the Commission for Defense and State Security were instructed to consider the issue of the political and legal situation in the autonomy and submit it to the Supreme Council of Ukraine session.

Touching on the issue of bringing the legislation of the Republic of Crimea in line with the current legislation of Ukraine, member of the ad hoc commission, Dmytro Stepanyuk, emphasized that, despite the relevant document approved on 17 February 1994, the Supreme Council of the Republic of Crimea was not adjusting the legislation and fully ignored the above resolution. In his opinion, the powers between the power bodies of Ukraine and Crimea can be delimited only after relevant coordination. "If the Supreme Council of the Republic of Crimea fails to do this, the Supreme Council of Ukraine will tackle this issue," Mr. Stepanyuk believes.

In particular, he pointed out that Crimea's economy was in a crisis situation, the work of industrial enterprises on the peninsula was coming to a halt due to liberalization of prices and absence of circulating assets. Mr. Stepanyuk pointed to the fact that the State Property Fund in Crimea had no clear-cut stand and that the delimitation and administration of property were not carried out on the peninsula.

While considering issues of the Black Sea Fleet, it was repeatedly emphasized that the activity of certain Black Sea Fleet leaders, the leadership of the Balaklava town council, and Mr. Semenyuk, the chairman of the Sevastopol City Council, did not comply with Ukraine's legislation currently in force and, in particular, was to the detriment of Ukraine's Naval Forces. Numerous instances of squandering the fleet's infrastructure were mentioned.

An interesting fact was mentioned at a news conference. After Oleksiy Melnykov, the deputy chairman of the Supreme Council of the Republic of Crimea, had familiarized himself with the results of the work by the commission, he asked: "Why did you not tell us anything

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about this?" A question arises: It is expedient to set up a special mission at the Supreme Council of the Republic of Crimea, which will prompt Crimean deputies what they should do next, is it not?

Crimea Leftist Forces Form Union

954F1254A Simferopol KRYMSKIYE IZVESTIYA in Russian 7 Feb 95 p 1

[Report by V. Titov: "New Union Formed"]

[FBIS Translated Text] "Down With Privatization!" "All Power to the Soviets!" "Restore the USSR!" These calls were the leitmotif of the constituent conference of the Union of Workers, Peasants, and the Working Intelligentsia of the Crimea, which was held on 4 February in Simferopol. Approximately 250 delegates from industrial outfits and public organizations of Crimea assembled in the hall of the Znaniye Society to unite their efforts on questions of the social protection of the working people, a recovery in the economic and political life of society, and the aspiration to revive the unified state.

All the delegates sharply criticized the activity of the leadership of Ukraine and Crimea, which has brought the bulk of the population to the brink of extinction. In the opinion of those who spoke, only the commercial banks endeavoring to drive into bankruptcy the major enterprises in order subsequently to appropriate their assets are today interested in the privatization that is so extensively publicized. "The time of privatization has passed, the time of nationalization has come," the delegates said.

Seeking early elections of the Supreme Council and abolishing the office of president of Crimea and demanding the denunciation of the Belovezhskoye Agreement and the restoration of all social rights and guarantees of the citizens are among the union's main tasks.

"This is an organization that is completely serious about the social plane," L. Grach, first secretary of the Communist Party of Crimea, told your KRYMSKIYE IZVESTIYA correspondent. At the same time, on the other hand, it was emphasized repeatedly that the union intends to achieve its ends not by extremist methods: "The workers have sufficient weapons to be able to manage without shooting."

Accusations of a passive approach and a flirting with the authorities were leveled at the trade unions. Nonetheless, V. Arbuzov, chairman of the FNPK [Federation of Independent Trade Unions of Crimea], was, after some hesitation, included on the union's executive committee.

"There is, in principle, reason for criticism of the unions," he acknowledged and expressed, in turn, regret that the newly formed union had not devised a way of accomplishing its tasks.

"It is now necessary to operate more by parliamentary methods—for example, to nominate for the councils at the coming elections those who believe that... the FNPK is trying to help the union to opt for the right path," V. Arbuzov said.

The Communist Party, however, was unanimously deemed to be the support and hope of the organization. It is no accident, therefore, that the familiar hammer and sickle will be depicted on the union's red banner.

And in response to our question as to whether there was confidence that what is contemplated will be accomplished, S. Khalyukov, second secretary of the Zheleznodorozhniy Rayon Committee of the Communist Party of Crimea, replied with a quote from the Bible: "Knock, and the door will be opened unto you, seek, and ye shall find."

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Belarus

Paznyak on UK Trip, Lukashenka's Referendum Bid

WS0902103795 Minsk BELAPAN in English 1210 GMT 8 Feb 95

[FBIS Transcribed Text] On his return from Great Britain, the chairman of the Belarusian Popular Front (BPF) and the leader of the BPF faction in the Supreme Soviet, Mr. Zyanon Paznyak held a press conference on February 8. He had visited the country on the invitation of the British government. According to Mr. Paznyak, that was not the first trip to Great Britain by Belarusian parliamentarians, but only the second official visit to the country by a representative of Belarus. The first visit was paid by Pyotr Krawchanka, then the foreign minister. During the visit Zyanon Paznyak met the head of the British foreign office, representatives of the Cabinet of Ministers, the parliament, leaders of political parties and parliamentary factions. The problems of freedom of expression, control of elections, the activity of the bureaucratic machinery, nuclear power engineering and the activity of trade unions were discussed. Mr. Paznyak defined the aim of his visit in the following way: to see how the state and democracy are functioning from inside to draw practical conclusions. According to Mr. Paznyak, the British parliament is uneasy about the violation of human rights in Belarus. The British side, in particular, advised an appeal to the United Nations to establish lawfulness. In Paznyak's opinion, the British parliament would like Belarus to be a politically stable state.

As for the activity of the Belarusian bureaucratic machinery, Mr. Paznyak declared: "We have a system wallowing in corruption, which formerly served the CPSU, and is now serving itself." If the BPF wins the parliamentary elections, then, according to its leader, Belarus will have to rebuild the whole structure of state power. When asked how the BPF regards Lukashenka's initiative to arrange a nationwide referendum on giving Russian the status of a state language and on the revision of the state symbols, Mr. Paznyak said: "We know the demagogy well. During the last five years it has been conducted by Russian special services and communists. This is evidence of the fact that the President of Belarus is carrying out the orders of the neighboring state. His six-month stay in office has led to the further destabilization of the economy and social sphere. I do not know any president in the world who violates the Constitution in such a way. If this is going on, the Popular Front will advance its counter proposal—to initiate a nationwide referendum on confidence in the President," the leader of the BPF said.

Answering a BELAPAN correspondent's question whether Great Britain will render financial support to the Front in the preelection campaign, Mr. Paznyak said that "this is not possible".

Russia Reintegration Support Seen Falling Away

MM0802153195 Moscow IZVESTIYA in Russian 8 Feb 95 p 2

[Report by Aleksandr Starikevich: "Belarus Cools on Integration Idea"]

[FBIS Translated Excerpt] Minsk—One after another Russian and Belarusian politicians have been announcing the latest steps down the road of economic and political integration. But with each new spiral fewer and fewer people believe in or welcome the coming unification. [passage omitted]

The Belarusian People's Front—one of the real contenders for victory in the parliamentary elections—is traditionally negative about such an alliance. Gennadiy Karpenka, leader of the centrist party bloc, also believes that the policy chosen by the president in the sphere of Russo-Belarusian ties is "hampering the establishment of normal economic relations between the two states." Admittedly, there are still the left-wingers—who will settle for nothing less than the restoration of the USSR—but they are now unable to even organize a more or less noisy street rally.

Consequently, during his stay in Minsk Ivan Rybkin clearly felt as if he was being hit by contrasting showers. The exuberance of the presidential team gave way to a scandal in parliament, where the speaker wanted to make a short speech. He was allowed to speak, but with great difficulty. The only result of Rybkin's visit was his attempt to smooth out the effect of the, to be blunt, not exactly brilliant idea of holding a joint session of the Russian and Belarusian parliaments.

It is not only the Belarusian political elite that is cool about its neighbors. Many ordinary people are coming to realize that, for all its good intentions, Russia can never solve Belarusian problems. The political cynicism shown by certain Russian representatives who stated during the visit that "the Belarusians should not sit on the fence behind Russia's back" (with regard to the Chechnya conflict) did not go down well.

It is clear that the Russian side is not mistaken about the possibility of strengthening integration periods at this moment in time. The current Belarusian parliament has, at most, three months left, and it is no longer entitled to make changes to the Constitution. It is very hard to predict today what the new Supreme Council will be like. Since this is the case, the next wave of Moscow's efforts on the Belarusian front will subside after a certain time, as has happened in the past.

Communist Leader on Russian Congress, Upcoming Elections

WS0902111995 Minsk VECHERNIY MINSK in Russian 2 Feb 95 p 2

[Interview with Valeriy Ukhnalev, first secretary of the Belarusian Communist Party Minsk Oblast Committee,

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by Vasiliy Romanovskiy; place and date not given: "Power to the Soviets, But With Communists..."]

[FBIS Translated Text] **A delegation of Belarusian Communists attended the Third Congress of the Russian Federation Communist Party [KPRF] held in Moscow on 21-22 January. "What was this, a tribute to tradition?"—I asked one of the participants, Valeriy Petrovich Ukhnalev, first secretary of the Belarusian Communist Party Minsk Oblast Committee.**

[Ukhnalev] This was not a tribute to tradition. The Russian Communists, as well as we in Belarus, believe that there were no objective reasons to destroy the Soviet Union. And currently, one of their primary goals is to reunite the Slavic republics and Kazakhstan, which will become a foundation for the establishment of a new unified state. It is not very important what name it will bear; the main thing is that it should be a socialist state and formed voluntarily.

[Romanovskiy] **Is this not just a wishful declaration?**

[Ukhnalev] The current circumstances have also been taken into account. Therefore, the Communists unequivocally do not support the policy and reforms conducted by the current Russian Federation government. As you know, although the Communist Party faction in the State Duma was offered to install its representatives in the government, it principally rejected this proposal. Speaking about the congress, in their reports and speeches, the participants emphasized that Russia is currently ruled by an antinational and antidemocratic regime, the policy of which has not only led the country into a deadlock, but has also placed it on the verge of disaster.

I will frankly say that it was not very pleasant for us to hear that Yeltsin and Chernomyrdin are called the ringleaders of this antinational regime. By the way, in an appeal to Russian citizens issued at the congress, the following was said: "Our strategy is to unite progressive patriotic forces able to legally oust the antinational regime, halt hostilities and chaos, and introduce real reforms."

[Romanovskiy] **But we—I have in mind Belarus—are often accused of lagging behind the Russian reforms...**

[Ukhnalev] Let us look at these reforms, and who benefits from them. Specific politicians who take care of their own interests are standing behind them. According to the Communists' assessments, the situation in Russia is as follows: The authorities, which are losing their last support, have driven the country into fratricidal conflicts. All this is a result of the government of forces alien to the people, which seized power by means of deceit. They have already flouted all democratic achievements—the parliament has been deprived of all rights. The Constitutional Court is inactive, and there are attempts to transform the Army into a punitive body. The Prosecutor's Office is directly subordinated to the president.

As was emphasized by Gennadiy Zatulin, chairman of the KPRF Central Executive Committee, the ratio of social differentiation, according to the incomes of 10 percent of the richest and 10 percent of the poorest people, is 23 to one, which exceeds by several times the socially admissible level, and is fraught with unrest at any moment.

[Romanovskiy] **How would you comment on the slogan "Forward, to Socialism?"**

[Ukhnalev] This raised many controversies, but the participants came to the following conclusion: To clean filth off the idea of socialism, and to hoist the scarlet banner of the battle for justice again. However, this requires a single unified state and a single communist party.

While soviets still, at least nominally, exist in our Republic, even though the president has announced that the absolute power of soviets has ended, there are no soviets in Russia at all. Therefore, one of the issues advocated by the Russian Communists is the return to popular rule in the form of soviets of people's deputies.

It should be noted that other important events were held in addition to the congress. For example, on 22 January negotiations between the KPRF leadership and delegates of communist parties from countries of the near abroad, who arrived for the congress, were held, and on 23 January the KPRF leaders met with envoys of communist, labor, revolutionary, democratic, and patriotic forces from Europe, Asia, and America. The meeting was attended by representatives of 47 foreign parties, movements, and organizations, who came to the conclusion that the socialist system was not liquidated with the destruction of the Soviet Union. It is necessary, however, to unite efforts in the battle against the "new world order," which, with the destruction of the socialist system, disrupted the balance of forces, which is fraught with great cataclysms.

[Romanovskiy] **Valeriy Petrovich, what lessons did the Belarusian Communists learn from this visit?**

[Ukhnalev] Given the example of the Russian Communists, who have significant influence not only in the Duma but also in local bodies of power, we understood that the primary thing for us now is to strive for as large an amount of representation in ruling bodies as possible. Will we participate in elections? There should be no doubt about this. We need a rostrum to advocate our ideas.

Second, we learned more details about the problems of communist parties from other republics. They also understand that unless we unite our efforts, we will not be able to achieve our goals.

As for the upcoming elections, we hope for success achieved in a bloc with other left-wing parties and patriotic forces. Only having united will we be able to prevent bourgeois parties from assuming power. Life is

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objectively returning people to us, and society is generally becoming more leftist. So we expect not only to win as many seats in the Supreme Soviet as possible, but also to continue our cooperation, in particular, with the Agrarian Party of Belarus, whose main electorate lives in the countryside.

Legislature Reaffirms Bill on Supreme Soviet

WS0902113495 Minsk BELAPAN in English 1653 GMT 8 Feb 95

[FBIS Transcribed Text] Keeping their promise, on February 8, the parliamentarians reverted to the bill "On the Supreme Soviet." Though the president had refused again to sign the bill and returned it to the parliament for revision, according to the Supreme Soviet, the bill acquired the power of a law three days after the parliament confirmed the approval of the bill by two thirds' majority. On February 8, the Supreme Soviet reaffirmed the approval of it. At the evening sitting the parliamentarians discussed the bill "On Introducing Amendments to the Law of the Republic of Belarus 'On the Supreme Soviet.'"

Commission Head Views Electoral Procedures

WS0902101595 Minsk RESPUBLIKA in Russian 1 Feb 95 p 1

[Interview with Alyaksandr Abramovich, chairman of the Central Commission for Election of Supreme Soviet Deputies, by Svyatlana Kalinkina; place and date not given: "Five Minutes and 500,000—Is It Much or Little?"]

[FBIS Translated Text] **For more than four months the Republic's parliament discussed questions connected with new elections to the Supreme Soviet. The legislative basis for holding these elections has already been prepared. Now is the time for a "smaller" task —one has to go on with this difficult campaign, which has been entrusted to electoral commissions of different levels.**

The chairman of the Central Commission for Election of Supreme Soviet Deputies, Alyaksandr Abramovich, has been interviewed by BELINFORM correspondent Svyatlana Kalinkina.

[Kalinkina] **Alyaksandr Mikhaylavich, the upcoming parliamentary elections will be the first multiparty elections in the Republic. In connection with this, I would like you to go into detail on changes introduced into the legislative foundation for holding the elections.**

[Abramovich] The right to put forward candidates for deputies has been granted to 29 parties registered by the Justice Ministry. They may put forward their candidates in any constituency, in which they have their local party organizations. The same right has been granted to six organizations of veterans and three republican associations of disabled persons. All of them, however, are faced with a number of additional conditions. For instance, a local party organization should be created under a procedure established by law. The law also requires that a candidate nominated by a party should be a member of this party. The same refers to electoral blocs; incidentally, we have not yet registered a single bloc.

[Kalinkina] **Will candidates for deputy nominated by parties, blocs, and social organizations, as well those "sailing" in this campaign alone, actually have equal chances of winning, or is this equity somewhat declared only for effect?**

[Abramovich] The law sets the legal framework, but there is also an actual state of things. So I think that one cannot do without deflections, all the more so since the issues of financing elections are not interpreted by the law unequivocally. On the one hand, elections will be held at the expense of the state budget. However, the financing of the electoral campaign may be started only after the candidates for deputy seats are registered as such. Regarding the period before registration... you can make it out for yourself.

By the way, the sum assigned for the elections has not yet been determined. By 15 February, our commission should present its recommendations to the Supreme Soviet. I can already say today, however, that the funds allotted to candidates will be very small. Furthermore, the budget envisions a meager sum of money for those expenses—68 billion [currency not specified]. I fear that this is even less that half the provision needed for holding even modest elections.

[Kalinkina] **You have apparently estimated an approximate number of candidates?**

[Abramovich] Calculations have not yet been completed, but, judging by all appearances, there will be many of them. It is quite likely that the number of candidates, especially in urban constituencies, will amount to several dozen, which is connected with large political activity and rather simple nomination procedures.

[Kalinkina] **Have you managed to preserve an approximately equal distribution of electors while forming electoral districts? How big were the "violations" of administrative division?**

[Abramovich] To begin with, the average number of electors per constituency is equal to 28,850 people. In the city of Minsk, however, this figure is the highest—29,400 people. The smallest constituencies comprise 28,000 people.

We have not avoided errors while forming constituencies. The administrative division was somewhat broken at the rayon level. At the village soviet level, however, we did not divide electors—all of them were attributed to one constituency. In this way, a certain degree of manageability is being preserved. In general, deviations in the number of electors in constituencies make up to 20 percent. However, in 7-8 percent of the cases, that is, in

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18 constituencies, this indicator was exceeded or diminished. [sentence as published] This was caused by exceptionally geographical and demographic reasons and the impossibility of resolving the problem without such deviations.

[Kalinkina] I would like you to also explain the following question: Has a candidate for deputy in a given constituency to be nominated by those people working or living in the area? There is also the following slippery formulation: In certain constituencies, it is possible to put forward those citizens, whose professional or official duties concern [rasprostranyayutsya] those constituencies...

[Abramovich] This is a complex question. We have already asked the Supreme Soviet to interpret this norm of the [electoral] law. For the time being, we are proceeding from the assumption that the all-republican character can be attributed to social and official activities of the heads of central institutions and their deputy heads, as well as members of collective bodies—collegiums, presidiums, and soviets. This refers to all state bodies, political parties, and social organizations with nationwide status. At the oblast level, of course, nominations can be made among those citizens, whose official or social duties (by analogy) concern the entire oblast.

[Kalinkina] Alyaksandr Mikhaylavich, has the order of disseminating candidates' electoral programs by the information media, including television and radio, already been determined?

[Abramovich] Unlike the presidential elections, this time the main burden will rest on local information media. As of now, the allotted quota [of airtime] is so small that it cannot even be discussed. We have asked the National Television and Radio Company to find possibilities to grant more airtime for these purposes so that every candidate may be provided with no less than five minutes on the air.

[Kalinkina] Five minutes for publicizing an electoral program?

[Abramovich] Let us make a calculation. If a given constituency has 30 candidates, their intercourse with electors will require 150 minutes. An oblast comprises approximately 40 constituencies—this means that oblast television and radio should assign 6,000 minutes for these purposes. Furthermore, it is necessary to grant this time quota to candidates within a very short period. It turns out that the "electoral marathon" requires around three hours of airtime per day. Meanwhile, the local broadcasting network has only one hour of airtime per day. It is why we have asked the National Television and Radio Company to cede a part of its capabilities to the local broadcasting network and obtain necessary time in this way. So here you have your five minutes...

Regarding the publication of candidates' programs, there are also certain difficulties. As you know, rayon papers appear rather rarely. Therefore, we have determined that the minimal volume of publication paid from the state funds will be 1.5 pages of typescript. All extra publications should be paid from the funds allotted to a candidate for conducting his/her electoral campaign. For the time being, I cannot name the exact sum, but I fear that we are unlikely to scrape up more than 500,000 [currency not specified] per candidate.

Moldova

Snegur: No Military Discussions at CIS Summit

LD0802205895 Moscow INTERFAX in English 1947 GMT 8 Feb 95

[FBIS Transcribed Text] Chisinau, Feb 8 (INTERFAX)—Moldova will not participate in the discussion of military issues at the CIS summit in Almaty on February 10, Moldovan President Mircea Snegur told Interfax Wednesday [8 February]. Chisinau would focus on economic issues at the summit, he emphasized.

According to Snegur, "the transparent borders—the cornerstone of the CIS states' future customs legislations—will facilitate marketing of Moldova's products on the huge eastern market." "The abolition of dual taxation and lifting customs barriers inside the Commonwealth represent a vital condition to the process of reforms underway in Moldova," he added.

At the same time, Snegur emphasized the need for a pact on maintenance of peace and stability in the CIS. "Undoubtedly, the comeback of the economies of the former Soviet republics is impossible without a strong peace," he said. Chisinau supported "the prevention of any attempts to unleash armed conflicts and settlement of all existing issues by exclusively political means," he added.

Snegur Leaves for CIS Summit in Almaty

LD0902115695 Moscow ITAR-TASS in English 1134 GMT 9 Feb 95

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Transcribed Text] Chisinau February 9 TASS—Moldova will not take part in debating military matters. Economic problems are of priority importance to Moldova. Moldovan President Mircea Snegur summed up in this way the Moldovan stance before the Almaty summit of CIS countries. A Moldovan governmental delegation led by Mircea Snegur and Prime Minister Andrei Sangeli flew on Thursday [9 February] to Almaty to participate in the summit.

Transparence of frontiers as a basis of customs legislation in CIS countries will help put Moldovan goods on the eastern market. The avoidance of double taxation and the removal of customs barriers is of vital importance to the economic reform in Moldova, Snegur said before taking a plane to Almaty.

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Snegur noted the importance of a pact on peace and stability and of matters of creating a common research and information zone in the CIS framework.

The Moldovan governmental delegation is expected to discuss and sign all the documents put on the agenda, except for an agreement on setting up an interstate fund of relief for refugees. This is connected with the fact that Moldova has not signed an agreement on refugees and enforced settlers, Stepan Lupashko, chief of the department on liaison with the CIS in the Moldovan Government, earlier told ITAR-TASS.

In addition to CIS documents, the Moldovan governmental delegation intends to sign in the Kazakh capital bilateral commercial and economic agreements for 1995 with some participants in the Almaty meeting. The signing of agreements with Kyrgyzstan and Tajikistan is most probable, Lupashko said.

Council of Europe Membership To Strengthen Independence

AU0802134095 Chisinau INFOTAG in English 1930 GMT 8 Feb 95

["INFOTAG's commentary: Moldova Is Strengthening Its Independence and Statehood, With Europe's Assistance"]

[FBIS Transcribed Text] Chisinau INFOTAG, 8/2/1995—At its Session in June, the Parliamentary Assembly of the Council of Europe is planning to consider Moldova's admission to the European forum. During the last week's plenary sitting in Strasbourg, the committees of the Council of Europe (CE) spoke in favour of the step, and approved the admission procedure and schedule.

This stance has also been backed by a group of rapporteurs who visited Moldova last year and are now preparing a kind of "letters of recommendation." The group leader, Lord Finsberg, has pointed out positive changes that had taken place in the republic, and expressed confidence that a change of Moldova's status—from special guest to full-right member—shall become a recognition, on the European level, of democratic reforms in Moldova, and shall impact a new impulse to them.

The soon-to-come membership in the Council of Europe has become possible thank to many changes in the internal and external political situations. During the year after the parliamentary elections, the new Moldovan delegation in the Council of Europe spared no efforts to change the republic's image in the forum. Initially, this was producing quite a surprise in Strasbourg, Because the previous delegation members succeeded in persuading many that the Moldovan independence was nothing but a transition from the Soviet Empire to the Greater Romania.

The parliamentary elections of last February and the opinion poll in March showed that the Moldovan society had quite another opinion, and a greater part of population supported independence and those political forces who practically worked for it. That was also seen by many delegations of the Council of Europe who came to Moldova during the past year.

With their help and on their eyes, lots of changes took place during the year which are necessary for the CE membership: multi- party elections, adoption of new Constitution, guarantees of observing human rights and ethnic minorities rights, etc.

As for the minorities rights, quite a positive effect was produced by the Parliament's adoption of the law on special legal status for Gagauz-dominant areas. And though CE experts initially perceived the draft law with quite a restraint, later they became more and more active in perfecting it, and currently they are fully satisfied with the document. When asked by your correspondent to describe their attitude to the law, many representatives in the CE Committees unanimously replied that if the new law would work in practice and really settle the Gagauz problem, then it could become a good example for solving similar problems in other parts of Europe.

Experts in Strasbourg comprehend that the Dniester problem is by far more complicated than the Gagauz one, but they believe the available experience could be quite applicable to solve the left-bank dispute, too. In their opinion, Tiraspol has established an authoritarian communist regime in the region, which fact can in no way be an obstacle for admitting Moldova to the Council of Europe.

Among internal problems that may negatively influence the CE's decision are the problems of implementing the legal reform, independence of the media, and registration of the Bessarabian Metropoly. However, many experts in Strasbourg say Chisinau has established a favourable legal framework, and the above problems are quite soluble in the course of time.

The Moldovan Government's refusal to register the Bessarabian Metropoly is a fairly serious problem. However, officials in Strasbourg understand that this is not a matter of a religious community, but is a political question, because the Metropoly religious seat was established with the blessing and direct assistance of Bucharest. In the delicate and complicated situation, when Bessarabian Metropoly's supporters are practically seeking to split the Moldovan Church and are backing unification with Romania, the Council of Europe is not going to place Moldova's admission into dependence with the Metropoly registration, in order to avoid any possible complications in the Republic, where the political situation shows a distinct trend towards further stabilization.

However paradoxical it may seem, but external political environment, too, may have a positive impact on accepting Moldova to the Council. The very fact that most political forces in Romania are overtly working for

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Moldova's accession to the "Motherland" makes the Council of Europe alerted, for its members realize that the attempts to solve the unification question without respecting Moldovan population's interests may have unpredictable consequences for the situation in the entire region.

On the other hand, Strasbourg is no less concerned about developments in the Russian Federation. The recent hot debates around the Chechen crisis, sharp and memorable speech by Vladimir Zhirinovskiy have brightly demonstrated that Russian events may negatively influence the situation in all ex-Soviet republics, which may come to face a real danger of getting under the Russian influence again.

In such a situation, Moldova's acceptance to the Council of Europe shall become not just the end of the process of legislation upgrading, but another important phase on the path of the republic's consolidation as an independent, sovereign and democratic state, observing its citizens' rights and freedoms. Thus, Moldova has all chances to become a full-right member of the Council of Europe, the first among all CIS states.

Parliament Approves Foreign Policy Guidelines

LD0802214695 Moscow INTERFAX in English 1947 GMT 8 Feb 95

[FBIS Transcribed Text] Chisinau, Feb 8 (Interfax)—The parliament in Moldova has approved the country's foreign policy guidelines.

Presenting the paper on Wednesday [8 February], Foreign Minister Mikhail Popov said the main priority was to develop relations with CIS states such as Russia, Ukraine and Belarus as well as Europe and North America.

He said the government would aim to consolidate Moldova's independence, sovereignty and territorial integrity, try to assert the country as a stabilizing factor in the region and help towards democratic and economic reforms and the creation of a law-governed state there.

The guidelines are based on the principle of avoiding the use or threat of force, a peaceful settlement to international issues, non-interference, inviolability of frontiers and territorial integrity of other states.

Moldova is committed to steer a policy of permanent neutrality, avoid involvement in military conflicts and political, military or economic unions aimed at war preparations, not to allow any foreign bases on its territory and not to store, produce or test nuclear weapons.

The guidelines also provide for the country's involvement in the Partnership for Peace program as part of cooperation with NATO.

Snegur Calls For Further Steps To Fight Crime

AU0802135395 Chisinau INFOTAG in English 1930 GMT 8 Feb 95

[FBIS Transcribed Text] Chisinau INFOTAG, 8/2/1995—Moldovan President Mircea Snegur has named crime prevention one of the republic's most important problems. Speaking at today's all-nation conference of judges, the head of state pointed out that 37,000 crime were registered in Moldova during 1994, including over 9,000 grave crimes, and 382 murders.

In his opinion, one of the reasons of such a situation is the incomplete use of the law-enforcement bodies' potential in crime prevention. Due to the serious situation, many local power bodies have held their sessions to discuss the crime prevention and approved measures to consolidate constitutional order. The president stressed that the Framework Act on the Reform of Judicial Institutions will help implement the task.

"Justice must become a guarantor of implementation of economic and social reforms, as well as a guarantee of citizens' rights and freedoms. This requires not just isolated measures but a state policy aimed at complete elimination of socio-political, juridical, organizational, material and psychological prerequisites of interference into court affairs," Snegur said.

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Kazakhstan

Tereshchenko, Chernomyrdin Discusses CIS Economics

LD0902143595 Moscow ITAR-TASS in English 1359 GMT 9 Feb 95

[FBIS Transcribed Text] Almaty February 9 ITAR-TASS—Russian Prime Minister Victor Chernomyrdin today arrived in Almaty to take part in the meeting of the heads of state and government of the Commonwealth member-states.

Ahead of the CIS summit, Chernomyrdin met Kazakhstan's former Prime Minister Sergey Tereshchenko, who is now president of the international fund "Integration".

Chernomyrdin and Tereshchenko discussed ways to strengthen mutually beneficial economic ties between CIS member-states, create favorable conditions for partnership and enhance the role of non-governmental organizations in this field.

Nazarbayev, Grachev Discuss CIS Summit Agenda

LD0802184295 Almaty Kazakhstan Television in Russian 1520 GMT 8 Feb 95

[FBIS Translated Text] President Nursultan Nazarbayev of Kazakhstan received Russian Defense Minister Pavel Grachev today, who has arrived in Almaty to take part in the CIS summit and meeting of heads of government of CIS countries. They discussed the agenda for the summit and issues of bilateral cooperation arising out of the agreements signed on 20 January in Moscow.

Democratic Party Issues Program Statement

954F1224A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 4 Feb 95 p 1

[Program statement of the Democratic Order Party: "Justice and Order—Today, Not Tomorrow!"]

[FBIS Translated Text]

For Historical Justice!

The past, in which there is much that is deserving of respect, cannot be indiscriminately rejected. But let us build a new society by combining the useful aspects of various social systems.

We are for the building of a sovereign state, but against a policy of isolation from friendly peoples and a simplistic understanding of integration. We are for equal relations that leave no room for attempts at imperial pressure.

A hope merely of assistance from the West is a serious delusion. A calculation based merely on different concepts of national independence is just as erroneous. But it is clear today even that an economic union of the new independent states should not be formed by a revolutionary path leading to civil war. We consider the sole correct path not one of "catching up with the train that has already left the station" and not of seeking the "mistakes of history" but of **commencing a real integration process.** We will to this end perform active work and expand the circle of supporters of the idea of integration on a new basis.

The main thing is together to overcome the inertia of crisis and to halt the wave of chaos, wars, confrontation, and indigence on the territory of the former Union.

We are not a party of destruction.

We are a party of creation.

For Political Justice!

The people are tired of political speculation. They continue to be fooled by promises of a heavenly life in 100-500-1,000 days. We are for a political arrangement that takes account of the interests of the whole people, not its individual "successful" representatives. We do not recognize the priority of any political model if people's well-being does not grow.

We are for political freedom, but against political anarchy and political speculators, in whatever mask they appear.

Our understanding of democracy is based on simple, but universal truths and presupposes:

order in society based on the supremacy of the law;

freedom of speech;

observance of human rights;

the curtailment of all forms of totalitarianism and political extremism;

prevention of the destabilization of society and the violation of interethnic harmony.

Competence and honesty, justice and order—this is what should constitute the foundation of our society.

The life of the ordinary worker continues to deteriorate. We are certain that the main thing today is the decisive formation of a democratic society based on the supremacy of the law, not bureaucratic tyranny, and an acceleration of the reform process, with a shortening of the time frame of the transitional period.

In the name of political justice, there is still much that needs to be changed. Specifically, we are for the representation in the government of various parties and for the political, not nomenklatura, rotation of personnel.

Kazakhstan is a state not only of Kazakhs and Russians, but also of Ukrainians, Uzbeks, Tatars, Germans, and other nations. Kazakhstanis are the historically evolved

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unity of the diversity of peoples inhabiting it. **We are for the assurance of their real equality.**

The question of language is a question more of objective formation than administrative regulation. This is to a greater extent a question of the creation of the material conditions and social motives for the development of languages than an exclusively political question. We are against any voluntarism in national and language policy. On the problem of citizenship, we see as the way out its solution via bilateral interstate agreements.

Reality shows that the new economic relationships are incompatible with the diktat of the center. Today 80 percent of the citizens' vital interests are satisfied at the local level. **We are for a real strengthening of the economic base of the regions.**

For Economic Order and Justice!

We are for an intensification of economic integration and a mutually streamlined customs system. But at the same time **it is necessary to put a stop to the uncontrolled exportation abroad of the national wealth.**

We are for all reforms if they lead not in words but in practice to a rise in the people's living standard. An orientation only toward the Western model of the building of the market is unacceptable. We can ourselves create a thriving state and have no wish to sit with our arms folded in the passive expectation of foreign credit.

We see no alternative to the market; we are for the coexistence of all forms of ownership. But pseudo-businessmen who have built their prosperity on the confusion of the transitional period, not on material production, are required **to share the burdens of their people.** As in many other countries, a **luxury tax** should be introduced in Kazakhstan. The state budget should be replenished more by the nouveaux riches, who are losing a sense of proportion, and the municipal transport industry should be maintained thanks to taxes on the purchase of flashy automobiles. It is essential to enlist additional funds in the erection of housing for the needy, having established a special tax on opulent private residences which have already been built and which are under construction. **We are for just tax legislation!**

For Social Progress and Justice!

We are for a **strong social policy** and the creation of various starting opportunities for all members of society and **against "plunderization"** in all spheres.

We are for real equality in education and medical support and for the formulation of an official policy of the protection of retirees, women, and children. **The older generation has earned a secure old age, and children should be confident of their future.** It is necessary to put an end to the propaganda of depravity and violence in the media and erect a barrier to the corruption of the youth.

All the troubles of the current crisis are borne primarily by the women. We are not only for the active enlistment of women in the organs of administration, but also for their serious state protection.

For Public Order and Justice!

Order and discipline in society cannot be established by words alone, however formidable. We are for a resolute war on crime, a toughening of the Criminal Code, and the adoption of harsh measures against organized crime and racketeering.

None of the measures against corruption have yet produced a tangible result. Only individual scapegoats have been caught. **We are for the adoption of special legislation to fight organized crime and corruption** and the material strengthening of the authorities guarding law and order. The transitional society will only be insured against upheavals, robbery, and violence when the defenders of order are themselves protected against this.

We do not want our children to be taking part in wars against the peoples of other countries. We are for a professional army with only defense purposes.

Having weighed the situation in society and in summation of what has been said, citizens of various regions and strata of the populace, whose purpose is the restoration of the economy and the sovereign development of Kazakhstan, assurance of the equality of all peoples, and the unity of healthy social forces, announce their intention to create a national party—the **Democratic Order Party**—and to summon to its ranks all who share our aims, regardless of national and religious differences. We are all sons and daughters of one fatherland and are bound by a common destiny.

We are a party of people advocating an integral, considered, and precise program of the development of the agrarian sector capable of returning to the peasant courage and a sense of confidence now and in the future and helping him adapt to market relations. Not just the peasants are interested in the preservation and strengthening of agriculture: The main material basis for the life of each individual is created here. The development of agriculture, therefore, should be among the indisputable priorities of the state, and enterprises of other branches are called on, if this is a possibility, to help the countryside emerge more rapidly from the crisis and get firmly back on its feet.

We are a party of people who are for a productive fight against corruption, the disarray in the economy, and the turmoil in privatization. We want to institute public order and eliminate brigandly and bureaucratic racketeering. We are against hypocritical phrase-mongers and false tribunes, in whose mouths are a phony lament for the fate of the people, but who in practice are straining after power for the sake of personal and mercenary ends. We are against those who use the party roof to cover commercial interests and financial machinations. We see

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that there are certain forces with an interest in the processes of the formation of the market system moving flaccidly and in the atmosphere of arbitrary action and the uncertainty of the troubled times being maintained for as long as possible.

We want the interests of the "silent majority" of the people, who bear the brunt of the transitional period, to be represented in the economic and political life of society.

We are a party of people who advocate the paramount attraction of foreign investments in the priority spheres, but who see as the main solution self-reliance and the production and intellectual potential that has been created in past years. We are opposed to the trends of the de-industrialization of the national economy asserting the raw-material nature of the economy and for the pursuit of a precise and progressive industrial policy.

We are a party of people who understand a state based on the rule of law to mean compliance with all democratically established rules without exception. We intend to make it an influential political force aimed at the institution of democratic order and justice in the country.

We are a party of people who are capable of doing all this by civilized methods. Our leaders will be guided by the interests of the people and the country's future, not avail themselves of the party for their advancement toward the political Olympus. We will be open to discussion with other parties and tolerant of pluralism of approach and opinion as the natural form of competition of politicians and political views.

We are a party in which people with a tarnished reputation and unseemly intentions are out of place. Respectability and civic duty are today frequently squeezed out by crude considerations of cupidity and personal gain. But there is the ineradicable axiom that nothing secret happens that does not in time become manifest.

It is essential that the state of consternation of society and the growing atmosphere of general shamelessness be replaced by relations of sincerity and people's faith in the morrow, and the survival mentality, by a mood of enthusiasm and an understanding that we have everything to make our life secure and worthy.

We are a party of historical optimists who believe in the good sense and will of our multinational people and in the coming prosperity of Kazakhstan.

This faith gives us strength. We will rely on the people and be honest before them and will put their interests above all else.

[Signed] Zh.M. Abdildin, academician, president of the Peace Foundation, deputy of the Supreme Council of the Republic of Kazakhstan

R. Andreasyan, artistic leader of the M.Yu. Lermontov Republic Russian Drama Theater

M.D. Atabayev, president of the Karatau Holding Company

P.A. Atrushkevich, professor, dean of the Architecture and Construction Academy, chairman of the Belorussian National-Cultural Center

M.V. Bazhenov, general director of the Sokolovsko-Sarbay Mining- Concentrating Production Association

A. Baymenov, deputy of the Supreme Council of the Republic of Kazakhstan

A. Garkavets, professor, chairman of the Ukrainian National-Cultural Center, deputy of the Supreme Council of the Republic of Kazakhstan

A.F. Dederer, chairman of the Union of Germans of Kazakhstan

S.V. Drozhzhin, senior rolling-press operator of the Karaganda Foundry

A. Yesentugelov, director of the Research Institute of Economics and Market Relations

I.S. Zhangurazov, general director of the Izhevsk Production Association for Poultry Breeding, Akmola Oblast

T.T. Zhukeyev, secretary of the Security Council of the Republic of Kazakhstan

A.M. Zaytseva, general director of the Almaty Cotton Works

Z.Zh. Kadyrova, deputy of the Supreme Council of the Republic of Kazakhstan

K.A. Kolpakov, personal spokesman for the president of the Republic of Kazakhstan in the Supreme Council

A.S. Kulenov, president of the Ust-Kamenogorsk Lead and Zinc Works Stock Company

U. Mukhamedzhanov, deputy of the Supreme Council of the Republic of Kazakhstan

A. Nurpeisov, people's writer

M.R. Sagdiyev, chairman of the republic Council of Veterans

A. Sarsenbayev, minister of press and mass information of the Republic of Kazakhstan

M. Simashko, people's writer

Yu.N. Sytov, deputy of the Supreme Council of the Republic of Kazakhstan

M.M. Tazhin, leader of the Information and Analysis Center of the Office of the President of the Republic of Kazakhstan

A. Tarazi, writer

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T. Temenev, dean of the Kazakh State Institute of Theater and Motion Pictures

R.A. Tulebayev, general director of the Balkhashmed Stock Company

A.K. Tshanov, minister of the construction of housing and development of territories of the Republic of Kazakhstan

G. Khan, professor, leader of the republic Association of Korean Cultural Centers of Kazakhstan

G.T. Khayrullin, deputy chairman of the Tatar National-Cultural Center

A.F. Khristenko, general director of the Karaganda Scientific Research Sovkhoz-Institute

N.A. Shaykenov, minister of justice of the Republic of Kazakhstan

V.G. Yazikov, president of the KATEP national stock company.

An organizing committee composed of P.A. Atrushkevich, A.M. Baymenov, A. Yesentugelov, T.T. Zhukeyev, A.M. Zaytseva, K.A. Kolpakov, U. Mukhamedzhanov, A. Sarsenbayev, and M.M. Tazhin was created for the formation of the new party.

Nazarbayev Thanks China for Nuclear Security Guarantees

LD0902100895 Moscow ITAR-TASS in English 0942 GMT 9 Feb 95

[FBIS Transcribed Text] Almaty February 9 TASS—Kazakh President Nursultan Nazarbayev sent on Thursday a personal message to Chinese Chairman Jiang Zemin in response to a statement by the Chinese Government on giving security guarantees to Kazakhstan.

Nazarbayev writes in the message that "this move by the Chinese leadership shows great responsibility of that country for ensuring global security. It is a graphic example of friendship and mutual understanding between the two neighbouring states and peoples".

Speaking on his own behalf and on behalf of the multinational Kazakh people, the president expressed profound gratitude for the display of goodwill, confirming again the commitment of his republic to relations of friendship, good-neighbourliness and all-round cooperation with China.

According to earlier reports, other nuclear powers—Russia, the United States and Britain—gave such guarantees to China at the Budapest forum of the Organisation for Security and Cooperation in Europe. [OSCE]

Parliament Eyes Prospect of Nuclear Energy

95WP0044A Almaty PANORAMA in Russian No 5, 4 Feb 95 p 2

[Report by A.G. under the rubric "Parliament": "Parliament Discusses the Concept of Nuclear Power Generation Development in Kazakhstan"]

[FBIS Translated Text] On 31 January, expanded four-committee parliamentary hearings were held by Uzakpay Karamanov, chairman of the parliamentary committee on ecology and use of natural resources, on the problems of the nuclear scientific-industrial complex of the Republic of Kazakhstan, and the state of affairs and prospects for interstate cooperation in the area of nuclear energy utilization. Invited to the meeting were heads of interested ministries and agencies and representatives of public organizations. The importance of the agenda is clear from the fact that instead of the planned two hours the meeting stretched into late evening. The chair had to exercise serious diplomatic efforts to tone down some speakers' attempts to juxtapose the problem of the development of the republic's nuclear power generation complex and the issue of protection of human rights of citizens living in ecological disaster zones.

The report of the minister of science and new technologies, Vladimir Shkolnik, consisted of four parts. The minister characterized the republic's uranium production industry as promising. The largest metallurgical plant in Kazakhstan, Ulbinskiy, provides 80 percent of the need for nuclear fuel at CIS enterprises. There are currently five nuclear reactors operating on the territory of the republic. One of them is a fast-neutron reactor in Aktau, and the remaining four experimental nuclear reactors are located in Semipalatinsk and Almaty.

Mr. Shkolnik noted that Kazakhstan's nuclear complex is closely linked with Russia. A number of agreements have been signed lately: on cooperation in the area of using nuclear power for peaceful purposes; on transportation of nuclear materials; on liquidation of consequences of nuclear tests in the Republic of Kazakhstan. A few days ago another agreement was added to this list—on cooperation and mutual settlement of accounts in utilization of nuclear materials contained in rocket warheads.

The minister informed the gathering of the creation of the International Science and Technology Center (MNTTs) with headquarters in Moscow. It has been set up in order to prevent leakage of nuclear technologies and migration of nuclear scientists. In this connection $11 million from the fund formed with the capital of $70 million will be allocated to Kazakhstan. According to Mr. Shkolnik, it is very important that this money be made tax-exempt (the minister asked Supreme Soviet deputies to envisage such a possibility in the course of working on the new tax legislation).

Vladimir Shkolnik shared the information on close cooperation with foreign countries. The U.S. Nuclear Regulatory Commission has been of great help in conducting legal expert evaluation of normative acts; a large number of Kazakhstan's nuclear scientists went to Great Britain for training. A contract has been signed with the U.S. Nuclear Research Agency in the amount of $160,000 to study the radio-ecological situation at the Semipalatinsk nuclear test site.

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The minister said that at the request of the Ministry of Energy and with the participation of the Nuclear Energy Agency, the ministry has produced the draft "Concept of Nuclear Power Generation Development in the Republic of Kazakhstan." The document will be presented in two versions. If the program-maximum is adopted, by the year 2030 it is planned to put on line about 18-20 gigawatts of nuclear power capacity. The program-minimum envisages only 4-6 gigawatts.

Vladimir Shkolnik noted with satisfaction the fact that Kazakhstan's parliament was the first in the CIS to ratify the START I treaty, as well as the agreement on Kazakhstan joining the Nuclear Nonproliferation Treaty. At the same time, the minister expressed concern with respect to various obstacles that stand in the way of further development of the nuclear industrial complex. "We have no right to lose it—this is our republic's greatness," said Mr. Shkolnik. Kazakhstan still has not developed a comprehensive concept of nuclear power generation development. In the minister's opinion, the effectiveness of its development depends directly on the adoption of a whole set of legislative acts. An integrated state system of accounting and control over nuclear materials and nuclear exports must be set up, as well as a system of licensing at all stages of nuclear power generation operations.

To the question of how many legal radioactive waste storage facilities there are on the territory of Kazakhstan, Mr. Shkolnik replied that currently not a single state storage facility has been set up.

Yergali Bayadilov, general director of the Republic of Kazakhstan Nuclear Energy Agency, talked in his presentation about creating a system for physical protection of nuclear materials and export controls. He said that this process will be completed by the middle of this year. Mr. Bayadilov said that the IAEA [International Atomic Energy Agency] intends to provide Kazakhstan with financial aid totaling $800,000. An agreement already has been signed between Kazakhstan and the IAEA on guarantees in connection with Kazakhstan joining the Nuclear Nonproliferation Treaty. Four national and one regional projects are planned for 1995 (the latter envisages creation of base normative acts with the participation of Uzbekistan and Kyrgyzstan; the IAEA will provide $240,000 for its implementation). There is the idea of setting up an international center on nuclear issues within the CIS framework. Also, on 8-12 April consultations with the participation of five countries (Russia, Kazakhstan, Belarus, Ukraine, and Armenia), organized by the European Community, will be held in Almaty.

Gadlet Batyrbekov, general director of the National Nuclear Center, told the meeting participants how the republic scientifically targeted program of radioecological study is being implemented. Important results have been obtained, in particular on determining concentrations of strontium, plutonium, and rhodium [rodoniy—as transliterated]. At the same time, the Semipalatinsk nuclear test site has not yet been sufficiently studied. In Mr. Batyrbekov's words, the test site "represents a good laboratory; it enables us to answer the question of what you get with nuclear weapons testing."

Answering the question on the fate of gallery 108-K, which still contains an intact nuclear warhead, Mr. Batyrbekov assured those present that work on its dismantling already has began and will be completed in March-April.

Viktor Yazikov, president of the National Nuclear Power Generation and Industry Joint-Stock Company (KATEP), made an interesting presentation. Mr. Yazikov attributed the current difficult situation of the uranium industry to the fact that late in 1989 the USSR fell for the fashionable idea of conversion. Whereas before 1986, 12 Kazakhstan mining administrations were engaged in uranium production, today there are only five. In the opinion of the KATEP president, the policy of complete conversion is harmful, since the need for natural uranium will only be growing in the future. By the way, the republic accounts for 25 percent of the world's uranium reserves.

Mr. Yazikov believes that the time has come to revise the concept of nuclear waste storage. In his opinion, we should not confuse the notion of heat-engineering waste and radioactive waste (in the entire world natural uranium is not considered radioactive waste).

Summing up the parliamentary hearings, their participants agreed with the need to create a comprehensive concept of development of nuclear power generation in Kazakhstan.

Canada Invests $300 Million in Joint Oil Venture

LD0902121095 Almaty EKSPRESS in Russian 3 Feb 95 p 2

[FBIS Translated Text] Does yet another joint venture promise us Canadian petrodollars?

The presentation of the joint Kazakh and Canadian venture Turan Petroleum took place in the capital's Friendship House last Wednesday [1 February].

The joint venture project in Kazakhstan is connected to the exploitation of the deposits in Kzyl-Orda region. The firm is represented by Occidental Petroleum and Hurricane from the Canadian side and Yuzhkazneftegaz [Southern Kazakhstan oil and gas] and Yuzhkazgeologiya [Southern Kazakhstan geology] from the Kazakh side.

Drilling and investigatory work is being carried out now at the Kzyl-Kiya, Maybulak, Aryskum, and Yuzhniy Kumkol deposits. The drilling work in Kzyl-Kiya is being carried out by the Senim company—one of the participants in Turan Petroleum—and by drilling units of the Yuzhkazneftegaz company in Yuzhniy Kumkol. Working exclusively with local contractors is the Canadian firm's policy. Both sides are very satisfied with the

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results of the sampling of the boreholes. Soon the sampling process will move to production.

The project is being funded by the Canadian partners. It intends to invest about $300 million [U.S. dollars] in developing and producing oil from these deposits. The total reserve of the four deposits is put at 20 million tonnes. The joint venture plans to produce 1.5-2 million tonnes of oil per annum.

Finance Ministry Reviews 1994 Budget

954F1240A Almaty PANORAMA in Russian No 5, 4 Feb 94 p 3

[Article by Anatoliy Cherepanov, press service of the Republic of Kazakhstan Ministry of Finance: "The Ministry of Finance's Collegium Reviewed Execution of Last Year's Budget and the Prospects of the Current Fiscal Year"]

[FBIS Translated Text] The questions of execution of the 1994 budget and the prospects for the new fiscal year, as well as the problems facing the republic's financial organs, were at the center of attention of the recent expanded collegium of the Ministry of Finance with the participation of heads of the ministry's leading divisions as well as local financial, tax, and customs organs.

Opening the meeting, Minister Aleksandr Pavlov presented a self-critical analysis of the real state of affairs in the financial sphere and outlined the task of better thought-through forming of the budget so that its parts and line items worked better for economic development and social protection of the population.

In was noted in the presentations of the minister, heads of the Main Budget Administration, Main Treasury Administration, the Main Tax Inspectorate, the Main Customs Administration, and regional representatives that both the ministry and its local units have not ensured proper quality of work for more effective forming, accumulation, and expenditure of budget funds. As a result, by preliminary estimates, the state budget was executed only to the extent of 83.7 percent with respect to revenues and 82.3 percent with respect to expenditures. The budget deficit comprised 14.8 percent of the total budget, or 4.06 of the gross domestic product.

Analysis shows that the main cause of not executing the revenue part of the budget is the unstoppable decline of industrial and agricultural production, frequent stoppages in its operation, and not always efficient and strict financial control over collection of taxes from enterprises.

It was noted that currently the volume of production in the republic declined on average by 23.1 percent. The greatest production decline occurred in Taldykorgan (40.9 percent). Semipalatinsk (35.7 percent), West Kazakhstan (34.2 percent), and Shymkent (28.6 percent) Oblasts.

The greatest production decline was registered at enterprises in ferrous and nonferrous metallurgy, and comprised, respectively, 30.9 and 26.6 percent; about 1 billion tenge less than expected in value added tax [VAT] was collected from the metallurgical complex alone.

In this respect, in the republic as a whole the budget fell short of 19.3 billion tenge, including 3.0505 billion tenge of VAT revenue, 3.8 billion tenge in income tax from individuals, 5.8 billion tenge in fees and various nontax revenue, 6.8 billion from privatization, and more than 10 billion tenge from foreign economic activities.

Of the 20 main categories of income, the plan was fulfilled only with respect to 13, and as a consequence, the shortfall amounted to 8.2 billion tenge, or 16 percent of the total amount of revenue collected.

Considerable VAT amounts remain uncollected because of the increased past-due accounts receivable. As of 1 November 1994 they totaled 123.4277 billion tenge, 44.0219 billion of which were past due. Because of this the budget did not receive 1.4967 billion tenge of VAT revenue.

Over 1994, 2.1793 billion tenge of excise taxes was collected, and the revenue shortfall amounted to 1.1809 billion tenge. Failure to fulfill production plans by some enterprises of the Tagam state joint-stock company alone resulted in a decline of alcohol- containing products output by 6.52 million decaliters, which cost the budget millions of tenge.

General production decline had a negative effect on income tax payments—the budget collected only 67.9 percent of the planned amount of this tax. For instance, in Karaganda Oblast AO [joint-stock society] Rezinotekhnika lost 883,000 man-days of working time, which resulted in 3 million tenge lost in income tax; the Karkombinat, respectively, 44,552 man-days and 189,643 tenge. Because of the absence of money in operating accounts, the Kazmetallstroy trust owes to the budget 347,000 tenge, AO Karbid—14.201 million tenge, and the Abay garment factory—1.595 million tenge.

In East Kazakhstan Oblast, 111 enterprise were idle at times, or 27.4 percent of the total number, as a result of which 6.63 billion tenge worth of output was not produced. The difficult financial situation resulted in a past-due back pay liability of 917.4 million tenge, while the budget was left short of more than 100 million tenge.

Poor control on the part of tax organs over collection of taxes from casinos and video salons resulted in tax revenues from them declining over nine months almost by two-thirds. In West Kazakhstan, Torgay, Almaty, and Atyrau Oblasts, for instance, between 1,000 and 6.000 tenge were collected, and in 10 oblasts nothing was collected at all.

In keeping with the president's edict "On Improving the Structure of Organs of State Authority and Administration and Reducing Expenses on Their Maintenance," as

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well as Cabinet of Ministers decisions, a number of ministries and agencies have been reorganized under the supervision of financial organs, and measures were outlined with respect to personnel reductions in republic and local organs of state administration. At the same time, these problems are not yet being dealt with properly everywhere. It was discovered, for instance, that Torgay Oblast law enforcement organs (criminal investigations, records and registrations, passport desk, and precinct inspectors) maintained 37 employees above the authorized staff number. In Semipalatinsk Oblast, there were 227 more persons on staff than authorized, among them investigators, precinct inspectors, highway patrol officers, and medical-sobering facilities staff.

There are continuing examples of profligate and other-than-intended use of state money. For instance, in Pavlodar, the automotive transportation administration's money appropriated for compensation of losses and transportation development, was used for apartment house construction (1 million tenge), for the needs of the city administration's capital construction administration (2.5 million tenge), the city administration of internal affairs (120,000 tenge), and so on. The Karaganda Oblast automotive transportation administration used the appropriations to purchase feed concentrate for its auxiliary farm (400,000 tenge), and paid fines to rayon financial departments (52,900 tenge). In Semipalatinsk Oblast 750,000 tenge in money transferred to the pension fund to pay out one-time grants was used to finance private small enterprises.

In East Kazakhstan, Kokshetau, Pavlodar, North Kazakhstan, Semipalatinsk, and Torgay Oblasts, a total of 129,000 tenge was used to pay wages and operational expenses of the Agro association's staff instead of the intended development of private farms.

Despite shortage of funds to finance priority undertakings under local budgets, some financial organs continued the practice of directing budget appropriations into financing of republic-level organizations.

Financial organs have not yet established strict control over allocation and judicious use of hard currency. At a time when a number of Kazakhstan enterprises are idle, products analogous to those they are intended to produce are being purchased abroad, resulting in hard currency drain. For instance, 1,550 sets of truck tires were purchased in China for $454,000, and 4,402 sets of reconditioned tires in the Czech Republic and Germany for $39,200. Moreover, foreign investment, along with foreign currency proceeds from sales of finished products and valuable raw materials, are being used on purchases and imports into the republic of goods distributed mainly through commercial kiosks. This is one of the reasons why in 1994 a number of borrower enterprises found themselves insolvent, and the government had to pay $58 million in interest and repayment of principal on foreign loans it guaranteed.

The collegium meeting also touched upon the problem of improving the work of customs services, their collection of customs fees, as well as combating contraband. In addition, questions were raised with some urgency of strengthening liaison and joining efforts in the area of achieving financial stabilization between financial organs and banking institutions, as well as strengthening control over the state of finances of large enterprises, which, being major taxpayers, at the same time resort to all sorts of tricks to avoid paying taxes in full.

It was further noted that the Ministry of Finance had put only minimal efforts into avoiding prior mistakes in forming the budget for 1995 and taking into account the current and forecasted situation in the financial sphere. Nevertheless, as is known, the budget already has been put through more than one discussion in the government, Supreme Council, and Office of the President. Another alternative version has been prepared that takes into account the Tax Code, which is currently being considered by the Supreme Council.

The decisions adopted by the collegium outline a broad concrete program on key directions of work of all ministry's divisions and its local units.

Crisis in Economic Development Analyzed

954F1237A Almaty PANORAMA in Russian No 5, 4 Feb 95 p 10

[Final installment of a three-part article by Doctor of Economic Science, Professor F. Klotsvog, Candidate of Economic Science B. Kazbekov, and Academician Yu. Shvyrkov, under general academic oversight of Academicians Yu. Yaremenko and A. Koshanov: "The Rate of Economic Decline May Be Slowed Down: The Main Condition Is Getting Credit From Russia"; for the first two installments, see the article entitled "Dynamics, Prognosis for Economic Indices Analyzed," published under 954F1108, in FBIS-SOV-95-027-S on 9 February, pages 54-57]

[FBIS Translated Text] *(Conclusion. See the beginning in previous issues, please).*

As has already been mentioned earlier in this article, the strategy of developing Kazakhstan's foreign economic ties for the period of 1995 consider two forecast scenarios. One is based on the assumption of increasing the level of equivalency in relations with the republic's near abroad, but retains for 1995 the negative balance of Kazakhstan's inter-republic import-export at the level of 2.7 billion in foreign trade rubles (in 1989 foreign trade prices). The second forecast scenario is based on the assumption that in 1995 the balance of Kazakhstan's inter-republic exchange will be zero. The assumption that in 1995 the balance of the republic's import-export will be zero is based on the fact that official strategic data for 1992 and 1993 regarding imports to Kazakhstan are clearly understated and do not take into account all actually existing channels of imports into the republic.

The calculations showed that by 1995 within each of the forecast scenarios the volume of total exports from

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Kazakhstan will decline by approximately 17 percent as compared to 1990. (Here and further on, all quantitative evaluations are given in 1989 foreign trade prices).

However, the need to ensure a zero balance in export-import operations in both forecast scenarios will require a considerable increase of Kazakhstan's exports. By 1995, as compared to 1990, its volume will increase for each scenario approximately by a factor of 2.4. The requirement to increase the level of equivalency in Kazakhstan's inter-republic economic ties will necessitate reducing the volume of its inter-republic exports. By 1995, as compared with 1990, it will decline by approximately 35-36 percent for both forecast scenarios under consideration.

Keeping in mind the need to sharply cut by almost a factor of two the excess of total imports into the republic over total exports volume that had formed by 1990, the first scenario envisages cutting total imports to Kazakhstan by 1995 by 43 percent, and the second—by 48 percent. The available export potential assumes the same reduction in the volume of imports to Kazakhstan in 1995 for both scenarios—approximately by 4 percent as compared with 1990.

However, in the first forecast scenario, which assumes obtaining a credit from CIS countries in the amount of 2.7 billion foreign trade rubles, the value of inter-republic imports to the republic in 1995 will decline as compared with 1990 by 49 percent, and by the second, fully equivalent exchange—by 66 percent.

Calculated estimates show that Kazakhstan's foreign economic ties will shrink in 1995 to a lesser extent than the volume of production in the republic. As a result, the share of export in the production sector will increase in 1995 as compared with 1990 from 1 percent to 3.5-3.6 percent (the first and the second forecast scenarios); the share of inter-republic exports in the production sector—from 9.3 to 13.3-13.6 percent; and the share of imports in the consumption sector—from 3.5 to 8.5-9.6 percent. The share of inter-republic imports in consumption in the first, credit version of the forecast in 1995 increases as compared with 1990 from 14.6 to 15.1 percent. In the second, equivalent, forecast scenario the share of inter-republic import in consumption declines in 1995 as compared with 1990 from 14.6 to 11 percent. However, regardless, the share of total export in production and the share of total import in consumption in Kazakhstan will substantially increase by 1995 as compared with 1990. The share of exports will increase from 10.3 to 16.8-17.2 percent, and the share of imports—from 18.1 to 23.6-20.6 percent.

The implementation of the forecast scenarios under review assumes a certain structural policy of Kazakhstan's foreign economic ties.

Increasing more than twice Kazakhstan's exports in 1995 as compared with 1990 may be achieved under both scenarios first and foremost by increasing the export of nonferrous metallurgy output by more than a factor of 4.5, and of the oil and gas industry output—by 118-120 percent. The share of output of these two industries in Kazakhstan's exports will increase from 34 percent in 1990 to 84 percent in 1995. Together with the ferrous industry output, their aggregate share in Kazakhstan's exports will comprise about 94 percent in 1995.

Inter-republic exports from Kazakhstan will be oriented mainly toward sales of agricultural products and coal industry products to the near abroad. In 1995, as compared with 1990, the volume of inter-republic exports of agricultural products will increase by a factor of approximately 2.2 and of coal industry products—by a factor of 1.3 (under both scenarios). The proportional share of these two sectors in Kazakhstan's inter-republic exports will increase from 24 percent in 1990 to 68-70 percent in 1995 (under both forecast scenarios).

In the imports to Kazakhstan, the most important item will be light industry products. In 1995, as compared with 1990, their import will increase by a factor of 2.2 under the first forecast scenario and by a factor of 2.4 under the second. The proportional share of this sector in Kazakhstan's imports will increase from 40 percent in 1990 to 71 percent in 1995 under the first forecast scenario and to 74 percent under the second.

The inter-republic imports to Kazakhstan will differ substantially under different forecast scenarios. The first, credit scenario assumes reduction of imports of machine-building products in 1995 as compared with 1990 by approximately 20 percent, and the second, equivalent scenario—by 55 percent; of construction materials—respectively, by 22 and 100 percent; and of light industry products—by 76 and 95 percent. Both scenarios assume the increase in 1995, as compared with 1990, of inter-republic imports of coal industry products by approximately a factor of 1.9, a certain decline (by 7-10 percent) of the chemical and petrochemical industry products, a sharp decline of imports of electric power, as well as of ferrous and nonferrous metallurgy products, and a complete end to imports of oil and gas industry products.

As a result, Kazakhstan's economy becomes more open, and correspondingly more dependent on foreign economic ties. For quantitative evaluation of the degree of this dependency, we conducted a special series of calculations. They showed that the reduction of Kazakhstan's domestic final product is proportional to the decline in the volume of its foreign economic ties. The coefficient of this proportional correlation (coefficient K) shows the value of change in the final product (in percents) when its foreign economic ties change by 1 percent.

The coefficient K dynamic for Kazakhstan's economy looks this way:

Coefficient of Kazakhstan economy's dependence on foreign ties (coefficient K):
1985: 0.66

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1988: 0.56
1995, Scenario I: 0.81
1995, Scenario II: 0.79

The analysis of dynamics of this coefficient's change shows that the degree of Kazakhstan economy's dependency on foreign ties will increase in 1995 as compared with 1988 approximately by a factor of 1.4 under both scenarios. The basis of the decline in the level of economic independence of Kazakhstan is the decline in the volume of its economy and a sharp decline of its self-containment.

The forecast calculations we have conducted showed that in 1995 we can count on the decline of industrial production in Kazakhstan to slow down somewhat. However, the character of general economic dynamics at the same time will be determined first and foremost by the scale of foreign economic credits made available by Russia and other CIS countries. Given sufficient credit that would enable inter-republic imports to exceed exports by approximately a factor of 1.5, we can realistically slow down the rate of decline of the final product and national income, including the consumption fund, as well as achieve stabilization of capital investment in the national economy of the republic. With no external credits, the production decline will not be slowed down enough to overcome the trend toward acceleration of the general economic decline, especially the trend toward shrinking investment activities in the republic.

A necessary condition for overcoming the crisis situation in the economic development of Kazakhstan is to restore the manageability of the republic's reproduction process, its general economic and inter-sectoral proportions.

Split in Karaganda Miners' Strike Viewed

954F1225A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 4 Feb 95 p 2

[Report by KAZAKHSTANSKAYA PRAVDA correspondent Vera Galaktionova: "The Karaganda Miners' Strike Has Entered a Period of Dissent"]

[FBIS Translated Text] Looking into the problem of coal production over the past century in different countries of the world, some more serious analysts maintain on the basis of the processed data that the issue of state subsidies to the mining industry is not at all an economic matter. By encouraging subsidies, national presidents prefer to keep in their hands a large organized force, because the easiest and most successful way for the opposition to come to power is by riding a wave of miner discontent. Does this mean that proponents of unsubsidized operation of the coal industry essentially take—wittingly or unwittingly—an anti-president position by advocating that only in Kazakhstan a powerful political lever be taken out of the hands of the republic's highest leadership?

This is a topical question. But the answer to it is rather simple. The process of development of market relations in the republic has been left to run mainly according to the spontaneous, Gaydar-style, option of self-regulation, as a result of which "everything will come into balance and the poor man will hang himself on his own." Supporters of this option, in order to keep Gaydar's experiment completely uncontaminated, in their zeal also dumped the coal industry into it—something that nobody, except Kazakhstan, had dared to do. It is their "efforts" that have provided conditions today for the emergence of the miners' unrest.

Meanwhile, the strike movement of Karaganda miners has entered a period of dissent—coking coal mines production workers received money from the Karmetcombinat [Karaganda Metal Processing Combine]. Last Saturday, the Shakhtinskaya mine resumed operations; it was soon joined by the Dolinskaya mine; the imeni Lenina mine continues to produce measured amounts of coal for metallurgists. However, not at every coking coal mine the miners went back to coal-faces, despite partial issuance of wages: The Tentekskaya, Aktasskaya, and imeni October Revolution 50-year Anniversary mines are idle. Officially, the strike continues—the trade union conference has not issued a decision to resume work.

The center of social tension in the striking Karaganda region over the past few days shifted to the mines producing power-generating coal. It was the miners from such mines as Kirovskaya, imeni Bayzhanova, and imeni Gorbacheva who picketed the building of the Karagandaugol state holding company Tuesday morning. Shakhtostroymontazh [Mine Construction and Erection Administration] personnel and miners' wives also took part in the picketing, demanding an answer to the question: How long are the miners to continue living in semi-starvation?

The territorial council of the miners' trade union took steps to contain the action within the boundaries of the territory adjacent to the association's building: The picketing was conducted spontaneously, without a proper sanction. Representatives of the association's management received picketers in their offices and tried to keep the situation under control. Closer to noon, the people who were crowded into the staircase, the foyer, and in front of the building began to disperse. By preliminary estimates, there were 300 persons here, who realize that it is their power-generating coal mines that may be closed first. The basin, consigned by the government to self-survival, will be forced either to jack up coal prices once again or to throw out on the street thousands of miners producing coal for the power generation industry and the national economy.

The situation is exacerbated by the fact that at the idle mines equipment that is not being used began to buckle under the rock pressure. But even discounting these losses, each week of idling, according to economists' calculation, costs the association 1.5 billion tenge.

Concerned over the critical state of the coal basin, on 24 January oblast administration officials held a meeting

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with top officials of the Karagandaugol association, the Karagandashakhtostroy joint-stock society, and the central committee and territorial committees of the miners and mine-construction workers trade union. After which the tone of the oblast press, which until then had covered the strike rather sympathetically, sharply changed and became accusatory and moralizing. In describing the details of the talks held at Karaganda's top echelons, in which the chief of the oblast tax inspectorate also participated, the press, in particular, began to emphasize the amounts the association received in the fourth quarter of last year from coal consumers, and where and how this money was used, thus casting a cloud of criminality over the association's and some mines' top management—for instance, that they chose to keep tens of millions of tenge on deposit in banks at a high interest rate instead of paying wages to miners.

The council of mine directors, held on this occasion with the participation of representatives of the trade unions' central committee and the city committee of the miners and mine-construction workers trade union, characterized the attempted analysis of the financial situation by the press as incompetent, called the facts and figures presented for the oblast readers' view a lie, and the purpose of the data taken out of context—as a provocation deliberately setting groups of people of different social status in the striking region against one another. Relevant financial documents were read out at the council and handed out to all those present for review.

The documents showed that the Kirovskaya mine, which tops the list of the accused, put on deposit money received from the sales of 15 percent of coal in the fourth quarter of 1993 in the amount of 53,500 tenge, since it did not make any sense to divide the money among 3,000 employees—each would have received a grand total of 18 tenge. Therefore, at the council's decision, the money was put in reserve to protect it from inflation. There is no other money in the mine's deposit account, and the mythical tens of millions have never been there. The imeni Lenina mine, also "caught red-handed" by the oblast press in depositing at 220 percent annual interest money meant for miners' wages, the absence of which drove the miners to strike, does not have open deposits in banks at all. All other accusations of the oblast's fourth estate were similarly refuted. In more informal situations, its actions were characterized by the gathering in much stronger words—to be precise, as a deliberate, purposeful lie. Who is right in this red-hot situation will be decided by the court, whose assistance the conference of mine directors—which took place right after the council's meetings but this time in the office of M. Perzadayev, the association's technical director—decided to enlist.

To KAZAKHSTANSKAYA PRAVDA's question as to how we should interpret the ideological reorientation of the oblast press, the association's general director, G. Present, replied this way: **"We have already traveled back in 1989 the road of confrontation between workers and management, when the fate of the leadership of associations, mines, and agencies in the basin was being decided in the street, at rallies. This action on the part of the press provokes a return of the past, attempting to create in a critical situation an artificial confrontation: We are the management, and they are the workers. These are obvious attacks on mine directors, who during this extremely difficult time have assumed all the burdens; on the people who cement labor collectives, who are trying by all legitimate means to make people's lives easier and create for them elementary conditions for survival. Instead, they are being accused of all mortal sins, and attempts are made to dump on them the blame for the economic chaos. One can see behind all this a deliberate desire to drive a wedge between the working class and the management, that is, to destabilize the political situation."**

Among the workers the ideological storm in the region is perceived in a variety of ways. But the most typical reaction of the miners boils down to this interpretation: This is an attempt to distract the strikers from participation in dealing with the republic's fundamental economic tasks and to defuse the situation in the region by setting them after an internal "enemy." Their attitude on this issue is rather precisely expressed in the words of M. Amirov, metalworker-electrician at the imeni Gorbacheva mine: "....If they want to find those responsible for the strike, let them fire us all—from top to bottom."

At the same time, coal miners continue to receive statements and appeals from various collectives to the government, demanding unequivocal actions toward getting out of the dead-end situation in which republic workers have found themselves.

"....Development of mines and strip mines is being curtailed. The social sphere is in decay. Technical modernization of the mines has been suspended. Holding a miners strike in wintertime is tantamount to suicide. However, the miners were compelled to this action by uncertainty about tomorrow. We, the deputies of the oblast assembly, representatives of different parties and public organizations, cannot remain on the sidelines when not just the well-being of our compatriots, but political stability in the republic are in jeopardy...."

The following statement was also sent to the republic leadership by deputies of the Abay city assembly in Karaganda Oblast: "This strike is the result of the catastrophic situation that has developed both in the oblast and in the republic as a whole. Not only the coal industry is in a critical situation today, but also health care, education, and the social sphere. In this situation, the government made local representative and executive bodies of authority hostages to their people...." These are among the most drastic expressions in the appraisal of the current situation by the public.

Looking at current events more calmly, however, we have to acknowledge the following. The policy of splitting the society leads to hostilities. In Karaganda Oblast it is currently aimed at creating a lightning rod, at

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searching for those responsible for the strike. But enmity is not constructive—only mutual understanding is. And the latter is achieved when the top echelons of authority are capable of hearing the voice of the people.

Reason for Coal Industry Crisis Offered

954F1238A Almaty PANORAMA in Russian No 5, 4 Feb 95 p 3

[Article by Viktor Sokolov: "The Main Reason for the Crisis in the Coal Industry, in the Opinion of the Government, Is the Increase in Mutual Nonpayments Between Enterprises"]

[FBIS Translated Text] Coal industry problems, naturally, have numerous cause and effect relationships, in particular, continuously increasing prices and the inflationary expectations associated with this process. However, further movement along the path of inflating the cost of energy sources, taking into account that the cost has already come close to the world cost, looks absolutely hopeless. It should be noted in this connection that Akezhan Kazhegeldin's Cabinet is purposefully attempting, if not to lower the prices for energy sources and railroad shipments, then at least to maintain them at the August or November level.

In the middle of this January, almost according to tradition, the miners once again assembled to declare a strike and to demand negotiations. The announced reason is the delay in the payment of wages. The main extractors of coal—the Karagandaugol state holding company and the Ekibastuzkomir joint-stock company—have big debts for payments into the budget and for credits received in intrarepublic offsets, and for the payment of wages: more than 3 billion tenge each. It seems that representatives of the government succeeded in finding a compromise at the negotiations that were held which would make it possible to achieve concessions to the miners for a minimal influence on the level of inflation in the republic.

On 24 January, Akezhan Kazhegeldin signed a decree of the Cabinet of Ministers, "On Additional Measures To Stabilize the Work of the Coal Industry." The Ministry of Economy and the Ministry of Industry and Trade, jointly with the Ministry of Power Engineering and Coal, were instructed to render assistance to the Karaganda metallurgical combine and to the Yermakovskiy ferrous alloys plant in drawing up credits in commercial banks on the security of products they produce in the sum of 650 million tenge and 850 million tenge, respectively, for the settlement by them of indebtedness for received coal and consumed electric and thermal power. Inasmuch as these sums are obviously inadequate for the coal giants, the government decided to grant them certain privileges in the payment of debts. In particular, the settlement of all debts as of the status on 10 May 1994 (1.569 billion tenge and 1.398 billion tenge, respectively) was postponed to 1 Jan 1996. But the settlement of previously delayed payments to the budget for the period from May to December of last year in the sum of 1.540 billion tenge for the Karagandaugol GKhK [state holding company] and 1.774 billion tenge for the Ekibastuzskiy GAO [state joint-stock company], on their recommendation, will be carried out at the expense of delivery of coal to the state reserve. Settlement of the second part of the debts, that is, the delivery of coal to the state reserve, will be conducted from 1 July of 1995 to 1 July of 1996 according to a schedule that was specially developed jointly with the Ministry of Finance according to a monthly plan with an indication of the cost and amount of coal. Moreover, the government agreed to make changes in its decree of 14 April 1993, which envisioned responsibility for untimely payment for the transport of goods and other types of rail transportation services; and, starting on 1 January of this year, for coal mining enterprises of the republic, it lowered the price scale for untimely payment for coal shipments from 2 percent to 0.5 percent of the sum of payments for each overdue day.

In their turn, both coal giants of Kazakhstan assumed a number of obligations. A government document notes that the Karagandaugol GKhK and the Ekibastuzkomir GAO must ensure, owing to the granted privileges, the completion in 1995 of the basic work to close production at the Severnaya, Maykudukskaya, Dubovskaya, and Stepnaya mines and the phased temporary closing down of production at the Severnyy open-pit mine. They also obligate themselves to ensure the satisfaction this year of the solvent demand for coal products in the republic and a reduction in the cost of coal mining by 3-4 percent of the 1994 level at comparable prices. In addition, with this decree, the Cabinet of Ministers instructed the Ministry of Power Engineering and Coal, jointly with interested ministries and departments, to determine before 1 February the requirement of the republic for coal fuel for this year; by this date, several ministries and the State Committee for Price and Antimonopoly Policy will have to develop a general agreement on joint actions for the stabilization of prices and tariffs, and also on a reduction of mutual nonpayments.

Industrial Executives Meet To Set Policy

954F1223A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 4 Feb 95 pp 1-2

[Article by unidentified KazTAG correspondent: "The Aim of the Concept of the New Industrial Policy Is To Stop the Slump in Production and To Guarantee Economic Growth"]

[FBIS Translated Text] A republic conference of directors of industrial enterprises was held on 3 February in Almaty. Also participating in it were heads of oblasts and of municipal and a number of rayon administrations, representatives of business structures, republican organs of government, scientists and economists, and parliamentarians. The question under discussion was the current state of the country's industry and ways to develop it in the intermediate term.

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The conference was opened with an introductory address by Prime Minister Akezhan Kazhegeldin.

The main report on the question being considered was presented by Deputy Prime Minister Vitaliy Mette. Analyzing the difficult economic position of the republic that developed last year, and especially in the first half of the year, the reporting speaker and other speakers tried to bring to light the reasons for the slump in industry. They are concealed, according to the general view, in the deformed structure of production, in the disruption of business relations with CIS countries, in all-round nonpayments, in the shortage of turnover resources, and in the liberalization of prices for energy sources.

Nevertheless, the speakers emphasized that, even under current conditions, native industry has substantial reserves that must be utilized more effectively. And, first and foremost, this concerns industries that export their products. What is noteworthy is that deliveries to the far abroad did not drop under the general slump. Also noted as a positive fact was the increase in the volumes of exports of joint enterprises, whose number has surpassed 2,000.

Conference participants believe that it is necessary to transform the noted trend in overcoming the slump into a regular phenomenon and, afterwards, by building up potential, ensuring economic growth. In connection with this, they assessed how very timely the actions of the new government were in the creation of a legal basis for forming a favorable economic environment for economic components. The Supreme Council adopted the general part of the Civil Code and the law "On Foreign Investments." A number of extremely important draft laws were prepared: the Tax Code, "On Bankruptcy," "On Security," "On Price and Antimonopoly Policy," "On the National Bank," and others.

Speaking about the government's concept of the new industrial policy, a draft of which was distributed to conference attendees, A. Kazhegeldin said that the Cabinet of Ministers was doing everything possible to strengthen the trend toward production stabilization. An opportunity has appeared that permits native and foreign investors to trust the government in its steady striving to move along the path of reform. And it is necessary not to miss opportunities opening up, even if at some stage through "belt tightening." Therefore, the government took restrictive measures, especially inside it, in order to cut costs. And strict economy will help enterprises restrain and overcome inflation and to settle up with the government on credits.

The prime minister warned that if enterprises do not return these credits, which amount to about 24 billion tenge, then next year the allocation will be less by this very same sum, and investments in the social sphere can also be cut. Unfortunately, the head of government noted, the directors of many industries are behaving very egoistically now—they are not paying for received electric power and wages for collectives, but they themselves are depositing money in banks at interest. The special services will expose this and will take the most resolute measures, up to and including the dismissal of violators and the transfer of cases to the law enforcement organs.

President Nursultan Nazarbayev spoke at the conference. In his words, our republic has entered a very responsible and extremely significant period of its life. The year 1995 will show whether Kazakhstan will be able to acquire actual state independence and become a powerful country in an economic as well as in a political sense. The agreement on partnership and cooperation between Kazakhstan and the European Union that was signed recently in Brussels talks about the fact that the industrial potential of the republic was evaluated as high, and that it is recognized as a very promising and reliable partner.

Reflecting on the initially existing situation in the domestic economy, the chief of state proposed to examine the problem in the plane of changing managerial functions. The ministries and the departments are trying to manage with the former methods—with orders. But, after all, all of them, according to legislation, are rank-and-file participants in the general process of economic management. The organs of executive authority should resolve the economic tasks of industrial enterprises through price regulation methods and the manipulation of taxation, and not through direct administrative pressure on them. Many directors of state joint-stock companies and directors of enterprises are not confident now in the stability of their position. This situation brought with it an irrational interest in receiving maximum gain not from the activity of the enterprise, but from one's own position.

In this connection, N. Nazarbayev said that it is necessary in normative documents to clearly define the duties and rights of each member of a joint-stock company, the holder of a state block of shares, the president of a joint-stock company, and hired workers. Otherwise, an economic and criminal responsibility problem will arise for directors of enterprises. This, first of all, is the question of nonpayments. After all, difficulties are created artificially in some structures, and state money is "rotated" for the sake of personal gain. That is why it is necessary to establish an effective base of sanctions and control over the use of resources, based on appropriate agreements with CIS countries.

The president believes that it is necessary to start on the resolution of nonpayments problems from a specific analysis of the situation at each individual enterprise. But it is necessary for the government to establish competent commissions that will adopt adequate measures on the results of the work that was conducted.

The chief of state gave a lot of attention in his speech to the concept of the industrial policy that was developed by the state. In his view, it should clearly reflect a system of complex measures for overcoming the slump in production and for ensuring the stable development of

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industry. At the same time, it is important to define priorities and appropriate actions correctly. It is necessary to form mechanisms that create a favorable regime for the intensive development of small and medium-sized business and to conduct measures for the support of an effective increase in the production of consumer items. There is also a need for the specific designation for priorities in foreign economic activity.

The real embodiment of the new industrial policy, the president noted particularly, is directly dependent on the progress of privatization. These processes should first of all affect an increase in the efficiency of the economy. In this connection, changes in the mechanism of privatization suggest themselves. It has to be animated with active reforms that are directed at the formation of such economic management structures that will be capable of conducting their own investment and scientific-technical policy, including the interbranch overflow of capital.

It seems expedient, N. Nazarbayev noted, to set up a more effective mechanism for the investment of a state block of shares of stock of a joint-stock company in the process of their privatization. Clear statutes should be provided on the sale of shares of stock to intermediaries, including those outside the republic, for commercial or investment competition for money that will ensure a flow of investments into enterprises. A special regulation is required on the sale of shares of stock of unprofitable enterprises, with a stipulation on the settlement of debts of such enterprises.

The president touched on questions of managing state property. He thinks that it is urgently necessary to make a complete inventory of it, but not to introduce indexation of fixed capital. It is also necessary that the management of this property be conducted by a state organ—a property fund that represents the interests of the state. There is also a need for a special-purpose model that defines what we are striving for, what kind of an economic system we want to build, what sectors of industry will remain under the control of the state, what kind will go into private hands, and what the regulatory policy of the state is. If we aspire to a social market economy, then it is necessary to draw its outlines and bring them to the attention of every citizen.

Progress in the economy is inconceivable without a securities market. Until it begins to operate, there can be no question of a robust financial market. The task is to ensure as full and quick a flow of available monetary resources as possible into investments. For this, it is necessary to activate the work of the recently established national securities commission. It will be necessary to adopt appropriate documents that ensure an efficient process and law and order. This work cannot be done without the participation of exchanges as institutions of self-control and self-regulation, and also of middlemen.

The functioning of the securities market will make it possible to a certain degree to resolve the problem of nonpayments and of the unwarranted inflation of food prices. In this connection, it is expedient to introduce the circulation of bills and to prepare normative-legal support for this.

A speedier adoption of the most urgent legislative acts will contribute to the maintenance of a proper regime in the sphere of finances. The chief of state once again, as at the end of last year, submitted a proposal to parliament to conduct not two, but five plenary meetings per week, in order to examine long-awaited legislative acts and, first of all, the Tax Code. With the adoption of these documents, the economy will be able to work under a more active market, and new hopes will appear for a wide attraction of foreign investments.

In conclusion, the president gave specific instructions to a number of ministries and departments.

On the very same day, he met with the heads of administration who took part in this conference.

Kyrgyzstan

President, Premier Depart for Almaty CIS Meeting

LD0902112595 Moscow ITAR-TASS in English 1058 GMT 9 Feb 95

[By ITAR-TASS correspondent Boris Maynayev]

[FBIS Transcribed Text] Bishkek February 9 TASS—Kyrgyzstan's President Askar Akayev and Premier Abbas Dzhumagulov left for Almty on Thursday [9 February] for the CIS meeting.

President Askar Akayev, a consistent supporter of the broadest integration of CIS member-states, agrees with all the initiatives aimed at maintaining peace in the CIS and creating a united economic area, Kamil Bayalinov, spokesman for the Kyrgyzstan president said.

The spokesman told ITAR-TASS on Wednesday that the upcoming CIS meeting in Almaty would discuss a package of documents including the maintenance of peace and stability in the CIS and the protection of state borders. The meeting will also consider the situation in Tajikistan and measures to strengthen the collective security.

Troops Join Peace-Keeping Force in Tajikistan

LD0802144995 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 0600 GMT 8 Feb 95

[FBIS Translated Text] The press service of the republic's Defense Ministry has reported that two companies from the Kyrgyz armed forces, with a total complement of 220 men, have been brought to the territory of the Gorno-Badakhshanskiy autonomous region. They have reinforced the contingent of the CIS peace-keeping forces. Now the personnel of both subdivisions are moving along the Murgab-Khorog route.

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The soldiers from Kyrgyzstan are to control Tajik territory from Khorog to Ishkashim. Colonel Dzhgumabayev is supervising the introduction of the troops.

Second Round of Elections Due 19 Feb

LD0802182495 Bishkek Kyrgyz Radio First Program Network in Russian 1200 GMT 8 Feb 95

[FBIS Translated Text] The Central Electoral Commission reports that the second round of parliamentary elections are scheduled for 19 February.

As has already been reported in the press, the elections to the new bicameral Kyrgyz parliament on 5 February resulted in the election of 13 deputies from 105 constituencies: two to the upper chamber and 11 to the lower chamber.

We remind you that the elections to the Assembly of People's Representatives of the Supreme Council in Asanbayevskiy constituency No. 66, Bishkek, were deemed invalid because of a controversy concerning the election campaign in the constituency. The date of the election to be held in this constituency will be announced later.

The Central Electoral Commission announces that, in accordance with Article 48 of the Law on Elections of Deputies to the Supreme Council of the Kyrgyz Republic, a second round of voting will be held in the other 91 constituencies. The electorate in these constituencies have to elect one of two candidate deputies who have reached the second round of the elections. The Central Electoral Commission again invites all the people of Kyrgyzstan to go to the polling stations and cast their votes for the worthiest candidates. Remember, our future is in our hands!

Tajikistan

President Leaves for Almaty CIS Summit

LD0902114295 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 9 Feb 95

[FBIS Translated Excerpt] Tajik President Emomali Rakhmanov left for Almaty, the capital of Kazakhstan today. He will lead the official delegation of our country, which will take part in the summit of the heads of state and government of the Commonwealth of Independent States.

The delegation also includes Prime Minister Dzhamshed Karimov, Foreign Minister Talbak Nazarov, Defense Minister Aleksandr Shishlyannikov, Karim Yuldoshev, state counsellor to the president of Tajikistan for international and political issues, and others. [passage omitted]

Russian Border Guards Sign Agreement With Afghan District

LD0802193995 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 8 Feb 95

[FBIS Translated Excerpt] The talks between the delegation of the Kalai-Khumb Border Detachment and the official representatives of the government of the Darvaz District, Badakhshan Province, Islamic State of Afghanistan, have resulted in a signing of an agreement.

The talks have been held in the territories of one of the subunits of the Kalai-Khumb Border Detachment.

A KHOVAR news agency correspondent was told in the by the Command of the Russian Border Troops in Tajikistan that Eshan-e Borkhanuddin, the governor of Darvaz, and his military commanders expressed that they will not allow further military provocations by the Tajik opposition fighters in the areas that are under their control. It should be remembered that about 100 km of the Badakhshan section of the Tajik-Afghan border belong to this government. [passage omitted]

Militia Officers Said Refusing To Fight

LD0802155295 (Clandestine) Voice of Free Tajikistan in Tajik 0630 GMT 8 Feb 95

[FBIS Translated Text] Last year 90 militia officers were fired in the Leninabad region for refusing to take part in military actions. Yesterday evening General Temurboy Rahimboyev, head of the chief department of internal affairs in the Leninabad region, commented on this issue on Tajik television. General Rahimboyev expressed regret that these militiamen each have from 10 to 15 years of experience but that they rebelled as soon as it was announced they were being posted to Garm.

A "Messenger of Khorasan" commentator says that the Leninabad militiamen's refusal to participate in the military action is done openly. Although the servicemen in war zones get paid 2-3 times more, militiamen refuse to serve only in order not to shed the blood of their brothers.

Russian Military Exercises Reported

LD0802123095 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 8 Feb 95

[FBIS Translated Text] According to reports from the Vakhsh valley [Khatlon region], the forces of the 201st Motor Rifle Division of Russia have begun military exercises in the suburbs of Kurgan-Tyube.

We would like to mention that these military exercises are being carried at the same time that Russia is claiming that it will not militarily interfere in the internal affairs of Tajikistan.

The reporters who have visited this region say that the people are afraid of the voice of the Russian guns, as the Russians are using heavy guns as well.

Turkmenistan

Niyazov, Uzbek President Discuss Cooperation

LD0902113695 Ashgabat TURKMEN PRESS in Turkmen 0550 GMT 9 Feb 95

[FBIS Translated Text] Ashgabat, 8 Feb (TURKMEN PRESS news agency)—During a telephone conversation

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that took place today between [Turkmen President] Saparmurad Turkmenbashy [Niyazov] and [Uzbek President] Islam Karimov, the presidents of the two neighboring countries exchanged views on a wide range of topical problems. They discussed the problems of further strengthening independence and the progress of economic reforms, and briefed each other on the present situation in these and other areas in their countries.

The presidents also discussed the agenda for the forthcoming Almaty summit of CIS heads of states, declared mutual satisfaction with the coincidence of their positions on the draft documents submitted to the summit, and underlined the importance of these documents for further strengthening multilateral cooperation.

Niyazov informed Karimov that he cannot take part in the summit for objective reasons.

Discussing bilateral economic cooperation and voicing their satisfaction on its development, the two underlined the importance of the bilateral agreement on trade and economic cooperation for 1995, which was signed in Tashkent yesterday [7 February].

Niyazov and Karimov also noted their mutual interest in further consolidating the good-neighborly relations, which has linked the Turkmen and Uzbek peoples from time immemorial, and wished their peoples prosperity and well-being.

Niyazov Unable To Attend CIS Summit in Almaty

LD0802195195 Moscow ITAR-TASS World Service in Russian 1728 GMT 8 Feb 95

[By ITAR-TASS correspondent Lyudmila Glazovskaya]

[FBIS Translated Text] Ashgabat, 8 Feb—[Turkmen President] Saparmurad Niyazov informed his counterparts [Kazakh President] Nursultan Nazarbayev and [Uzbek President] Islam Karimov by telephone today that, for objective reasons, he will not be able to visit Almaty for the session of CIS heads of state. He told N. Nazarbayev that National Assembly Chairman Sakhat Myradov will represent the Turkmenistan delegation at the Almaty summit.

The Turkmen president's press service told ITAR-TASS that during the telephone conversations there was an exchange of opinions on the agenda of the forthcoming session, which revealed an essential identity of views on the documents presented for the summit. "They are called upon to play an important part in the further strengthening of cooperation within the framework of the CIS." Commenting on this, Kakamurad Ballyyev, the Turkmen president's press secretary, said that S. Niyazov's view was supported by his counterparts.

During the talks, agreement was reached on holding a regular session on Aral Sea problems in early March in the Turkmen town of Dashkhovuz. It will be attended by the heads of state of Central Asia and representatives of the Russian Federation.

S. Niyazov and N. Nazarbayev agreed that Kazakhstan will supply Turkmenistan with grain to the value sum of $10.6 million in order to cover last year's debts for electricity.

Uzbekistan

Seoul Views Uzbekistan as 'Main Central Asian Partner'

LD0902125395 Moscow INTERFAX in English 1106 GMT 9 Feb 95

[FBIS Transcribed Text] Tashkent, Feb 8 (INTERFAX)—Seoul views Uzbekistan as its "main Central Asian partner," Councillor of the South Korean Embassy in Tashkent, Pak Ro Bek, stated in Tashkent.

He expressed hope in an interview with Interfax on the eve of the Uzbek president's official visit to the Republic of Korea, scheduled for February 15 to 17, that South Korea would also become "the focus of Tashkent's political and economic efforts in the Far East."

He announced that last year bilateral trade turnover amounted to $70 million. In 1995, the volume of bilateral trade is to be increased to 100 million which is not the limit, he said.

At present, Uzbekistan sells Korea cotton fibre, nonferrous metals, copper, cars, buses, electronic equipment, consumer goods and communication equipment.

He said that to date Uzbekistan has seven joint ventures involving the South Korean capital. Some of them manufacture machines and reconstruct communication systems in Uzbekistan, and the rest extend trade and broker services.

Karimov Addresses Cabinet on Economic Situation

LD0802202595 Tashkent Uzbekistan Television in Uzbek 1530 GMT 8 Feb 95

[FBIS Translated Excerpt] A meeting of the Uzbek Cabinet of Ministers took place today in Tashkent with the participation of the President of Uzbekistan Islam Karimov.

[Correspondent] The report on the implementation of the economic reforms in 1994 and the methods for extending them were considered at the meeting. Abdulhashim Mutalov, the prime minister of the Republic of Uzbekistan, chaired the meeting. [passage omitted]

President Islam Karimov noted at the meeting that the work done in Ferghana is insufficient, and that in the densely-populated Ferghana region the majority of the population should be transferred to work in the service

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sectors and in order to do this the system of small enterprises should be increased.

[Begin Karimov recording] Taking into consideration the shortage of land, our main task is to organize jobs at every economic entity and set up flexible organizations and enterprises, thus freeing people from the land and leaving the real peasants on the land. This is not an aim this is a slogan [as heard]. We should implement it everywhere. [end recording] [passage omitted]

[Correspondent] Our president, concerning the republic's future and speaking about the funds raised from the budget for supporting priority fields, said the following:

[Begin Karimov recording] In 1993 and 1994 Uzbekistan invested $550 million from its own potential, its own sources—the hard currency fund and its budget. Who will comment on this, who will appreciate this? We have already spent $120 million on the construction in Asaka. The plant that is being built in Bukhara costs $400 million. We have spent a pretty sum on this, too. We are spending $24 million every quarter on the factory in Khorezm that will produce Mercedes vehicles. Uzbekistan has defined the priority fields. It will try to invest in these fields. If you ask me, there are not even advances in other countries. [end recording]

[Correspondent] The head of our country noted that the production of petroleum products is increasing in our country and that by 1996 the republic plans to achieve self-sufficiency in grain, and that there is an increase in the production of milk and meat and an improvement in other fields, too. [passage omitted]

Progress of 1994 Economic Reforms Reviewed

LD0902115395 Tashkent NARODNOYE SLOVO in Russian 9 Feb 95 p 1

[FBIS Translated Text] On 8 February a Cabinet of Ministers meeting was held in Tashkent with the participation of President Islam Karimov to discuss the progress of economic reforms in 1994 and the main areas for their further deepening.

The heads of the ministries, departments, state committees, concerns and associations, the chairman of the Supreme Council of the Republic of Karakalpakistan, and the heads of administration in the regions and the city of Tashkent were invited to the meeting. Abdulhasim Mutalov, the prime minister of the republic chaired the meeting.

In his speech President Karimov dwelled in detail on the particular features of the reforms in the economy and social sector last year. He spoke about the achievements and shortcomings and highlighted the tasks of deepening reforms in all spheres of the national economy in 1995, developing the market relations that are taking shape, and further increasing the national currency's buying power, as well as general problems to do with economic stabilization.

Murat Sharifkhojayev, the chairman of the State Committee for Statistics and Forecasting, Finance Minister Bakhtiyar Khamidov, and Faizullo Mulladzhonov, the head of the Central Bank—all of whom are deputy prime ministers—delivered reports on this matter.

Shamil Gataulin, the chairman of the State Taxation Committee; Viktor Chzhen, who is deputy prime minister and chairman of the State Committee for Management of State Property and Enterprise Support; Mirzojon Islomov, the head of Fergana region administration; Nodirbek Yusupbekov, the chairman of the chemical industry concern; and Anatoliy Anokhin, the director of the Bekabad metallurgical plant, expressed their views on the practical implementation of economic reforms at a local level, on bringing industry closer to the villages, strengthening financial discipline, and increasing production volumes.

Erkin Khalilov, the acting chairman of the republic's Supreme Council, First Deputy Prime Minister Ismail Jurabekov, presidential state advisers, and deputy prime ministers took part in the meeting.

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Armenia

Azerbaijan Continues Shelling Northeastern Border

NC0802145595 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 8 Feb 95

[FBIS Translated Text] The Armenian Defense Ministry has reported that the Azerbaijani Army formations have been periodically disrupting the calm on the Armenian-Azerbaijani border for the last few days. The shelling of the northeastern sector of the border has become particularly frequent. The defensive positions around Vazashen in Ijevan was shelled between 2250 and 2350 yesterday with infantry fighting vehicles and various other firearms. The armed formations of the enemy opened howitzer fire on the defensive position around Chinari in Tavush and the surrounding area between 2615 and 0040 [as heard]. There were no casualties or material damage. Our border guards restrained themselves and did not retaliate.

Calm prevailed on the rest of the Armenian-Azerbaijani border last night and this morning. As of this hour, we have received no new information.

The press service of the Nagorno-Karabakh Republic Defense Army Headquarters has reported that no incidents took place on the Karabakh fronts last night and this morning.

Ingushetia Official Supports Karabakh's Self-Determination

NC0802155295 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 8 Feb 95

[FBIS Translated Text] The people of Karabakh should decide their destiny themselves, they should decide with whom they want to live or not to live. (Ruslan Guliyev), head of the presidential staff of the Republic of Ingushetia, made this statement in a conversation with an ARMENPRES correspondent. Neither Azerbaijan, nor Armenia, nor Russia should try to keep the people of Nagorno- Karabakh from expressing their will in a referendum. You could consider that this is not only my personal view but also the official position of the authorities of Ingushetia, declared (Guliyev). He also underlined that the leadership of Ingushetia has never considered Karabakh a religious conflict.

Normal 2-Hour Power Supply Resumes 8 Feb

NC0802220595 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 8 Feb 95

[FBIS Translated Text] The power supply to the population was restored early in morning on 8 February. Armenian State Minister Gagik Martirosyan made this statement in a report to the extended meeting of Parliament's Standing Commission on Economic Independence and Development. He noted that the decision of the power workers to forcibly collect dues from citizens defaulting on their bills was not the best of alternatives, and therefore the government has ordered an end to the penalizing power cuts and a return to the normal power supply system.

The state minister also stressed the need for formulating more productive methods of collecting dues for electricity so that the power company can obtain its money and use it to pay for gas and other energy sources.

The restoration of the two-hour power supply system was also announced by Mels Hakobyan, chief director of Hayenergo [Armenian Energy] Concern. According to the adopted decision, henceforth the power supply to customers will be cut off on an individual basis without harming others.

Industry Minister Reports on 1994 Performance

MM0802150195 Moscow ROSSIYSKIYE VESTI in Russian 7 Feb 95 p 3

[Report by correspondent Valeriy Aydinyan: "'Nairit' Speaks Out Loud and Clear"]

[FBIS Translated Text] Yerevan—Forty percent of output is sold for hard currency, Armenian Industry Minister Ashot Safaryan reported. According to last year's results, he reported, the ministry's enterprises produced goods worth $147 million.

He described the full commissioning of the "Nairit" combine as the chief success of last year. Let us recall that this chemical industry giant became the victim of political shenanigans and stood idle for several years. It is expected that "Nairit" will produce goods worth $60 million each month.

Machine-building plants are not working at full capacity for the time being. The minister noted with regret that Russia had not purchased a single machine tool last year, which forced a stepping up of the search for new sales markets. The products of Armenia's industrial enterprises are being bought by partners from Iran, Syria, the United Arab Emirates, Cyprus, Belgium, and the countries of North Africa.

Azerbaijan

Western Insensitivity to Azeri Muslims Criticized

LD0702205695 Tehran IRNA in English 2007 GMT 7 Feb 95

[FBIS Transcribed Text] Baku, Feb. 7, IRNA—A Western club headed by the wife of American Ambassador to Azerbaijan Republic will hold a celebration in Baku in 19th night of Ramadan (the day Hazrat 'Ali, the first imam of infallible household of Prophet Mohammad received the fatal stab which caused his death) under the pretext of helping orphans.

In this ceremony besides music concert, the raffle tickets sold by the club will be drawn.

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After the collapse of 70 years of communist rule in Central Asia and independence of region's countries, Western countries especially the United States started their economic and cultural assault on the region.

Central Asia and the Caucasus people who were under communists' cultural servitude for years, are now facing the Western cultural assault.

The fact that Women's International Club plans to hold the celebration in 19th night of Ramadan which is a holy night for Muslims raises question.

The majority of Azerbaijan who are Muslim Shiites mourn the martyrdom of their first imam in this night.

Karabakh Spokesman: Peace-Keeping Force Needed

LD0802151095 Moscow INTERFAX in English 1424 GMT 8 Feb 95

[FBIS Transcribed Text] Stepanakert, Feb 8 (INTERFAX)—Stepanakert (the capital of Nagorno-Karabakh-IF note) insists that any talks on political issues must come after a solution is found to some technicalities such as the deployment of international peacekeeping forces in the region, Presidential Press Secretary Aleksandr Grigoryan of the self-styled republic of Nagorno-Karabakh said in a statement to Interfax Wednesday [8 February].

On the territorial issue that Azerbaijan is focusing on, he said Stepanakert found it to be a political issue too, and wants to discuss it in the framework of an overall political settlement.

It is not yet clear how the enclave's position will affect the negotiations going on in Moscow brokered by Russia and Sweden and intended to narrow differences on a comprehensive political agreement on Nagorno-Karabakh.

Georgia

Shevardnadze Takes Measures Against Draft Dodging

AU0802145695 Tbilisi SVOBODNAYA GRUZIYA in Russian 25 Jan 95 p 3

["BS-PRESS" report: "... And on Bringing the Georgian Armed Forces Up To Strength"]

[FBIS Translated Text] On 20 January, an extended session was held by the Republic of Georgia Cabinet of Ministers on questions concerning the call-up to the Republic of Georgia Armed Forces. Head of state Eduard Shevardnadze, commander in chief of the Armed Forces, Prime Minister Otar Patsatsiya, Defense Minister Vardiko Nadibaidze, the heads of a number of departments, and representatives of the officer corps attended the session.

According to figures presented during the course of the session by the head of the Georgian state, in 1994 20,000 people avoided appearing before the republican conscription board; of those who did report to the board, 900 did not report to their units, while another 900 went absent without leave. Eduard Shevardnadze mentioned the bad living conditions as one of the main reasons why young people were refusing to serve in the army and said that it was essential to correct the situation.

Shevardnadze expressed concern that the Georgian Armed Forces had recently begun to resemble an army that had been brought up to strength by representatives of the lower orders of society; representatives of well-to-do and privileged families have been trying to avoid military service.

He pointed out that the question of the necessity of a mobilization service had been ignored of late and stated that the Cabinet of Ministers should examine this issue at least once every quarter.

He stated that, within the next two to three weeks, the Ministry of Justice, the Parliamentary Legal Commission, the Procurator's Office, and the Ministry of Defense should prepare a bill on urgent measures aimed at reforming the military system.

Shevardnadze Directive on AWOL Servicemen

AU0802163795 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 28 Jan 95 p 1

["Directive of the Georgian Head of State on Measures To Stop Servicemen Taking Absence Without Leave From Military Units"—issued 15 January]

[FBIS Translated Text] At this stage in the organizational development of the Republic of Georgia Armed Forces, certain difficulties have been noted in bringing Ministry of Defense military combined units and units up to strength.

In particular, cases of servicemen going absent without leave from military units have come to the fore of late, which is undermining to a certain degree the creation of a strong regular army and its readiness to protect the republic's territorial integrity.

Educational military patriotic and propaganda work is unable to satisfy contemporary demands both in the republic's rayons and towns and in military combined units and units.

Proceeding from this:

1. Local bodies of administration and law enforcement agencies in the rayons and towns of the Republic of Georgia, together with military commissariats, are to take urgent and decisive measures in respect of those servicemen who have gone absent without leave from military units.

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2. Servicemen who return to their military units before 10 February 1995 in order to continue their service will be cleared of responsibility but only the actual period of time that they were with their military units will be counted toward their military service.

3. In accordance with existing legislation, the Republic of Georgia Ministry of Defense and the Chief Military Procurator's Office are to bring criminal proceedings against those servicemen who do not return to their military units by 10 February of this year.

4. The Republic of Georgia Ministry of Defense is to report periodically on the measures that have been implemented and their results.

[Signed] E. Shevardnadze

15 January, 1995.

Germany Gives Credits Worth 50 Million Marks

LD0802182395 Tbilisi CONTACT INFORMATION AGENCY in Russian 1530 GMT 8 Feb 95

[FBIS Translated Text] Tbilisi—Head of State Eduard Shevardnadze has received a letter from the Georgian embassy in Germany, saying that the Georgian delegation, which includes representatives of the Georgian Finance Ministry and the Committee for Foreign Relations, has held negotiations and consultations with the representatives of the Ministry of Economy, the Ministry of Finance, the Foreign Ministry, and the Society for Investments and Development of Germany. They discussed the issue of rendering economic aid to Georgia by the German state banks. The issues put forward at these meetings were raised during the official visit to Germany by Head of State Eduard Shevardnadze.

It was finally decided to allot a credit of 30 million German marks for Georgia's agriculture. With the aim of rendering an immediate aid, the German Government earmarked an additional credit of 20 million German marks to be utilized for buying an equipment for restoring the damaged TbilGRESS [Tbilisi state rayon power station].

Abkhaz Parliament Statement on Russian Servicemen's Deaths

LD0802203795 Tbilisi Radio Tbilisi Network in Georgian 1800 GMT 8 Feb 95

[FBIS Translated Text] The CONTACT news agency reports that the Supreme Council of the Autonomous Republic of Abkhazia today made a statement that says the following:

"The Russian mass media has circulated reports about an attack in Gali Rayon on the Abkhaz militia checkpoints by Georgian subversive groups, which claimed the life of one servicemen of the peacekeeping forces.

"Despite the Russian peacekeepers' control over Gali Rayon today, this is the second instance of the killing of a servicemen and probably, it is easiest to lay the blame on the so-called Georgian subversive groups.

"The Supreme Council of the Autonomous Republic of Abkhazia is authorized to state that there are no Georgian subversive groups or guerrilla formations in the zone controlled by the peacekeeping forces. According to the reports received through reliable sources, both of the Russian servicemen were the victims of the recent frequent clashes between the peacekeepers and the illegal Abkhaz armed formations.

"We have appealed the peacekeeping forces' leadership to disarm illegal armed formations on the whole of the Abkhaz territory, as new tragedies and victims among the civilians, as well as the peacekeepers, may follow the lawless actions perpetrated by the militants if they are not disarmed."

[Signed] The Supreme Council of the Autonomous Republic of Abkhazia.

Abkhaz Separatist Leader Demands Opening of Border

LD0902122895 Tbilisi SAKINFORM in Russian 2133 GMT 8 Feb 95

[FBIS Translated Text] [No dateline as received]—According to reports from Sukhumi, the Abkhaz separatist leader [Vladislav Ardzinba] has sent a letter to Russian Prime Minister Viktor Chernomyrdin demanding the opening of the [Abkhaz-Russian] border along the Psou river, which had been sealed off due to the events in Chechnya. Vladislav Ardzinba says in his letter that the population of Abkhazia is experiencing a shortage of foodstuffs and adds that the situation can be improved only by delivering foodstuffs from Russia.

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Estonia

Foreign Ministry Official: Human Rights Report Objective

WS0902111695 Tallinn BNS in English 1337 GMT 08 Feb 95

[FBIS Transcribed Text] Tallinn, Feb 08, BNS—The U.S. State Department report on the human rights situation in Estonia in 1994 is correct and competent, Estonian Foreign Ministry Deputy Chancellor Raul Malk told BNS on Wednesday [8 February].

"I have dealt with a number of reports on Estonia. Unlike several others, the report by the U.S. Foreign Ministry has been drawn up according to a clear plan and without prejudice. The report is put together objectively. The document proceeds from legal, rather than ideological principles. The current legislative situation in Estonia is presented with accuracy; all problems that are pointed out do really exist," Malk said.

The State Department report presents the human rights situation in Estonia as rather positive. Pointed out are cases of abuses of these rights by the police, as well as in the country's prisons.

"Reshaping of the police on Western patterns, so that all procedures and guarantees characteristic of a democratic society would also apply to operation of the police, is going on slowly," Malk admitted. He said the report mentioned cases of abuses against basic human rights by the police during arrests, interrogation and detention of suspects.

Malk said he had found only one mistake of principal importance in the document. The report says there are some one hundred asylum-seekers in Estonia, while actually none of the Kurdish and Afghan refugees now in the country have sought political asylum in Estonia, he said.

State Department reports on the human rights situation worldwide are drawn up each year. The reports are read with much attention in the U.S. Congress and administration bodies in Washington, Malk said. They also have a major role in shaping the perception that potential American investors get of any less-known foreign country.

Malk added that the human rights reports on other countries were a valuable source of information for the Estonian Foreign Ministry.

President Meri Views Baltic Summit Proceedings

LD0902101295 Tallinn Radio Tallinn Network in Estonian 1800 GMT 8 Feb 95

[FBIS Translated Excerpt] A Baltic summit is taking place at Jurmala in Latvia today. [passage omitted] The reporter is Urmas Loit. [passage omitted]

[Loit] The meeting at Jurmala lasted longer than planned and even now the details in the wording of the joint communique are being polished. The discussion today, however, focused on illegal immigration and crime across borders. Lithuanian President Algirdas Brazauskas emphasized the need for the three countries' corresponding departments to do something about this urgently. Border guard representatives are also here at Jurmala.

Estonian President Lennart Meri summed up the meeting for "Paevakaja" as follows:

[Begin recording] [Meri] For the first time we took stock today of the issues that have remained unresolved, and there are a few. We know that the pretty vision of Via Baltica [highway], which we have already had for five years, will soon turn into a pathetic joke if, say, well, a truck whose container is sealed even according to international rules must wait for 20 or even 40 hours on the Lithuanian-Polish border in order to cross it. We looked at issues of this kind and others, stemming mainly from poor cooperation. So we took the bull by the horns and did not make any, well, pretty pathetic speeches but spoke about things that have not been done even though there has been plenty of time. But now time is catching up with us.

[Loit] What does your joint communique focus on, even though it has not yet been adopted—but the principles have been agreed, have they not?

[Meri] It focuses on these issues, in quite general terms like all communiques. It understandably did not intend to bypass—nor could it—the tragic events, the events developing in Chechnya that are shaking the stability of the whole of Europe, in the face of which international organizations have demonstrated regrettable, well, I would say passivity; they have looked elsewhere and closed their eyes. All this, however, is our present day. This present day is not always agreeable but it is agreeable that we succeed in looking it straight in the eye and in acknowledging what it is that the present day requires from us.

[Loit] The Baltic states' presidents plan to meet next in September, in Tallinn. [end recording]

Tallinn Seeks Closer Ties With CIS

LD0802203395 Moscow INTERFAX in English 1751 GMT 8 Feb 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Tallinn, Feb 8 (INTERFAX)—Estonia is not going to join the Commonwealth of Independent States "neither now nor in the near future," a senior Estonian Foreign Ministry official said.

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But Tallinn would like "to expand its economic ties with Commonwealth countries," Mart Helme told Interfax on Wednesday [8 February].

"Lately such ties have been on the decline due to the existence of various customs barriers and also due to the need to use Russian territory in carrying on trade operations with several countries," he said.

Estonia has the closest contacts with Ukraine, Kazakhstan, Azerbaijan and Moldova, But "with Tajikistan we don't even have diplomatic relations, the reason for which is the current political situation there," Helme said.

Helme, whose field at the Foreign Ministry are Estonia's relations with CIS countries, said the Commonwealth was something to which its member states had "no alternative form of cooperation." "What to a considerable extent explains the need for the CIS is the fact that not all the independent countries that emerged after the disintegration of the Soviet Union have managed to carry through reforms and quickly build extensive contacts abroad. Therefore they are looking for closer links with each other," the diplomat said.

In his view, Central Asian states should seek military alliance with Russia, while Ukraine should above all develop economic relations with Russia owing to the high degree of the two countries' mutual economic integration.

"Disintegration process which took place in the CIS at the initial stage and manifested themselves in attempts by member states to establish their own borders, customs services, etc., are gradually being replaced by reintegration processes," Helme said.

"Estonia does not consider the CIS legal successor to the Soviet Union, nor does it regard the CIS as a centralized community with Russia at the head," he said. "It is rather a confederation-type union, with all members of which we maintain relations at various levels."

Colleague Says Dudayev Studied Estonian Laws

WS0802132395 Tallinn BNS in English 1000 GMT 08 Feb 95

[FBIS Transcribed Text] Tartu, Estonia, Feb 08, BNS—During the peak of Estonia's independence drive from the Soviet Union, the then Soviet air force division commander Dzhokhar Dudayev took his time to study the Estonian laws and had himself kept in touch with legislative developments in the country, a former colleague said.

Ants Laaneots, who headed the Soviet army conscription office in the southern Estonian city of Tartu while Dudayev was commander of a Soviet air force division stationed in the same city, spoke to BNS about his frequent contacts with General Dudayev in 1989-91.

The two were the top Soviet military in Tartu, the country's second-largest city which, unlike the capital Tallinn, is overwhelmingly Estonian-speaking.

"Dudayev at one point asked me to send to him copies of the documents adopted by the Estonian Government and the Supreme Council (the then parliament), which he wanted as examples. I remember that he also studied the pre-World War II legislation of Estonia. Dudayev had problems translating those laws, but he finally hired a translator," Laaneots, who resigned last year as the Estonian Army chief of staff, said.

But Laaneots also said his contacts with Dudayev during that period were not limited to their official functions.

"At some time in the second half of 1990, we discussed rather sensitive issues with Dudayev. If any of that talk had reached the ears of KGB officials then, we would have found ourselves in a very tight corner," Laaneots said. He said neither of the two then doubted the Soviet Union was about to collapse.

"On several occasions we discussed what opportunities the Chechens would have to achieve independence. I was rather sceptical about that, while he was optimistic. Dudayev didn't have any doubt that Estonia and the Baltics would become independent," Laaneots said.

Dudayev, as head of the Soviet garrison in Tartu, repeatedly assured the municipal government he wouldn't use force against political demonstrations and will refuse to obey any such orders from Moscow.

As a professional military, Laaneots in the interview praised the tactics of total defense chosen by Dudayev in leading his country's struggle for independence from Russia. "Dudayev was confident in the merits of total defense already long ago. If a small nation wants to defend itself, it must get armed—that was his main watchword," Laaneots told BNS.

Draft of New Language Law Enters Parliament

WS0902125495 Tallinn BNS in English 1000 GMT 09 Feb 95

[FBIS Transcribed Text] Tallinn, Feb 09, BNS—The draft of a new Estonian language law was handed to the parliament spokesman's office on Wednesday [8 February].

The draft was needed because the currently valid law adopted in 1989 originates from a very different situation, said Mart Nutt, head of the parliament's law commission. Although adopted at a time when Estonia's independence drive had gained momentum, the law is unsuitable for an independent country for several reasons, he said.

The 1989 law, being declaratory rather than setting the necessary regulations, was actually aimed at expanding

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the area of use of Estonian as a minority language, Nutt explained. The new law has to focus on the use of other languages in Estonia.

"If the Constitution says that Estonian is the country's official language, it's natural that Estonian can be used in all spheres of life. The language law must regulate the using of other languages," Nutt said, adding that in those terms the 1989 law was contradicting the country's Constitution.

Police Head: Crimes by Minors Serious Problem

WS0902104895 Tallinn ETA in English 1843 GMT 08 Feb 95

[FBIS Transcribed Text] Crimes committed by children under age have become a serious problem in Estonia and in case no countermeasures are quickly taken there is a danger that it will increase further, head of State Police Department youth police Elmar Nurmela told a press conference on Wednesday [8 February].

Nurmela said that in 1994 694 children who had not yet reached the age of 13-15 when legal action against them can be taken (depending on the type of crime) committed a crime. Half of the children were younger than 12 years. Before the child becomes 13-15 it can commit several further crimes and thus the youth crime is becoming a real "hotbed of crime", Nurmela said, adding that a system of alternative punishments e.g. arrests at weekends should be applied to those children.

Nurmela added that in accordance with the general trend of crime also crimes committed by children under age are becoming more violent e.g. in 1994 such children committed 15 murders.

Latvia

Baltic Presidents Discuss Strengthening Cooperation

LD0802181995 Riga Radio Riga Network in Russian 1500 GMT 8 Feb 95

[FBIS Translated Text] Guntis Ulmanis, Algirdas Brazauskas, and Lennart Meri, the presidents of Latvia, Lithuania, and Estonia, today took part in the festive opening of the training center of the UN peacekeeping forces' Baltic battalion, situated near the village of Adazi.

In his address to the battalion's personnel, ambassadors, military attaches, and other guests of honor, Latvian President Guntis Ulmanis stressed that the flag as a symbol of soldiers' unity would be together with them both in joyous and adverse moments. This event, he said, will stay in history as an important step of the deed of strengthening of unity between Latvia, Lithuania, and Estonia.

At a meeting in Jurmala, Guntis Ulmanis, Algirdas Brazauskas, and Lennart Meri discussed a range of issues related to the strengthening of cooperation between the Baltic states. Latvian President Guntis Ulmanis noted that there were 17 issues on the summit's agenda, among them the discussion of the political situation in the world and position of the Baltic states, the problem of strengthening common borders and work of the customs. The president also singled out two most topical problems that will also be discussed in Jurmala—the situation regarding crime and joint actions aimed at its improvement and curbing the flow of illegal immigrants. In addition, the presidents intend to discuss the issue of fighting drug addiction and methods of blocking channels of drug transit through the Baltic states.

Ulmanis: Baltic Battalion Evidence of Unity

LD0802172495 Riga Radio Riga Network in Latvian 1400 GMT 8 Feb 95

[FBIS Translated Text] I want to begin the magazine section of the program by recalling that an event took place in Latvia today that concerns all three Baltic states. Namely, after the Baltic peacekeeping battalion's festive ceremony [as received] at the Adazi training center, the presidents of the states of Lithuania, Latvia, and Estonia held a news conference. Latvian State President Guntis Ulmanis, addressing reporters and all guests present there, said that the Baltic battalion of the UN peace mission was not set up to attack some country. Our unity has to grow into a joint force for the defense of our people, Guntis Ulmanis said. And now listen to the recording.

[Begin Ulmanis recording] I want to congratulate all of you on this historically significant day and express the conviction that the step for which we were already preparing a year ago, together with the United Nations when we were setting up a Baltic peacekeeping battalion, has justified itself completely and we already see today the first 120-strong unit that is undergoing the first steps of its training.

The meeting of the presidents of the three Baltic states today is deeply symbolic in that respect, that with this step we are once again attesting Baltic unity that will show itself, first of all, in the tackling of foreign affairs, joint coordination of the concept of foreign affairs, and the tackling of military or defense issues by the three Baltic states.

I would like to thank today all the states that have promoted and helped set up this peacekeeping battalion and there are seven of them altogether, thank their ambassadors if they are here and express hope that this cooperation will also continue in the future. [end recording]

Presidents Adopt Joint Communique

LD0902112495 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 9 Feb 95

[FBIS Translated Text] According to the basic documents and principles of the United Nations and the

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European security and cooperation organization, the use of military force resulting in mass civilian casualties and violations of basic human rights cannot be regarded as an internal affair.

This is stated in a joint communique by the presidents of Lithuania, Latvia, and Estonia—Algirdas Brazauskas, Guntis Ulmanis, and Lennart Meri—which was adopted during their meeting in Jurmala yesterday, BNS [Baltic News Service] reports.

The presidents of the Baltic states expressed their conviction that Russian President Boris Yeltsin would make use of all possible means to stop the war in Chechnya and of all political means to solve the Chechen crisis. The Lithuanian, Latvian, and Estonian presidents urged international organizations to take a more active part in solving the Chechen and other potential military conflicts.

The formation of the Baltic peacekeeping battalion is favorably assessed in the joint communique. In view of the presidents, this initiative demonstrates to the world public that the Baltic states wish not only to utilize international security, but also to contribute to its safeguarding.

The presidents of the Baltic states expressed their satisfaction at Lithuania, Latvia, and Estonia coming closer to the European Union. Conviction is stated in the document that the negotiations with the EU on associated membership would be successfully concluded shortly.

The expansion of NATO was discussed at the Jurmala meeting, too. In the Baltic presidents view, there should not be so-called security vacuum zones in Europe. In the opinion of the presidents, the conditions of admitting potential new NATO members to this organization must be the same to all.

The Baltic presidents welcomed the admission of Latvia to the Council of Europe.

Brazauskas, Ulmanis, and Meri stressed the necessity of strengthening cooperation between the Baltic states in the spheres of customs and border control. A unanimous opinion was reached that each state should have a clear stance on the issues of the border regime, especially in the east. The smuggling of weapons, narcotics, radioactive substances, and the issue of organized crime were discussed at the Jurmala meeting.

All three presidents were for the further liberalization of mutual trade. The participants in the meeting also discussed the issues of Ignalina nuclear power station and of the flow of refugees to the Baltic states.

Defense Minister Talks With NATO's Claes

LD0902112095 Tallinn Radio Tallinn Network in Estonian 1800 GMT 8 Feb 95

[FBIS Translated Excerpt] Madis Mikko reports from Brussels that Latvia was the 11th state to present its individual Partnership for Peace program to NATO today.

[Mikko] Defense Minister Janis Trapans represented the Government of the Republic of Latvia. After a one-to-one meeting with NATO Secretary General Willy Claes, they both made statements to the press.

[Begin Trapans recording in English with superimposed Estonian report] Latvian Defene Minister Trapans described today's event as practical, happy, and symbolic. Mr. Trapans emphasized that the Partnership for Peace program is important for the whole of the Baltic region as we are talking about states which have to build up their defense forces from zero. Recently the question has been raised of the Baltic states having been relegated to a second echelon when it comes to them joining NATO. [end recording]

NATO Secretary General Willy Claes replied to this as follows:

[Begin Claes recording in English with superimposed Estonian report] And so, the issue is how NATO is to expand and not when and who are the applicants. NATO Secretary General Claes emphasized that the issue of whether and when has not been discussed in NATO, neither at an informal nor at an official level. [end recording] [passage omitted]

Minister: New Foreign Policy Principles Approved

WS0902111595 Tallinn BNS in English 1337 GMT 08 Feb 95

[FBIS Transcribed Text] Riga, Feb 08, BNS—The Latvian Cabinet approved Tuesday [7 February] the new foreign policy principles to be followed up to 2005, Foreign Minister Valdis Birkavs said.

The policy is focused around Latvian integration into European and transatlantic structures and should ensure balanced relations with the East and the West. It calls for more active participation by Latvia in international organizations, following the post-war example of Finland, as a means of promoting external security.

Latvia should also encourage closer ties between the Baltic states as important part in their effort to integrate into Europe, said Birkavs. Commenting on cooperation with other countries, Birkavs emphasised that Latvia should help develop the three-plus-five model of Baltic-Nordic cooperation.

The foreign policy principles will complement foreign trade policy, which should be drafted in March, Birkavs noted.

Saeima Drafts Procedures for Granting Citizenship

WS0802130395 Tallinn BNS in English 1000 GMT 08 Feb 95

[FBIS Transcribed Text] Riga, Feb 08, BNS—The Saeima (parliament) Citizenship Law Implementation

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commission drafted on Tuesday [7 February] the procedure for nominating candidates for citizenship on the basis of outstanding public service.

Candidates can be nominated by a group of five Saeima deputies, the government, the president or a permanent parliamentary commission. The application must include a curriculum vitae describing the candidate's outstanding public service, commission secretary Dzintars Abikis told BNS. Commission officials will meet with all candidates and the parliament will make the final decision on granting citizenship.

The commission's members cannot agree on two issues: whether candidates must confirm their past relationship with the former Soviet Union's state security services and who to nominate as a replacement for former commission chairman Imants Kalnins, who resigned from the job.

Lithuania

Seimas Concerned Over NATO Candidates Decision

LD0802173895 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 8 Feb 95

[FBIS Translated Excerpt] The Lithuanian Seimas Foreign Affairs Committee today discussed a decision by the foreign affairs committee of the U.S. House of Representatives to remove the Baltic states from the list of NATO candidates.

As already reported, on 30 January this U.S. Congress committee discussed the National Security Act, part of which deals with NATO's expansion; Ukraine and the Baltic states were removed from the list of NATO candidates on the grounds that they are not ready for NATO membership.

The Seimas foreign affairs committee meeting, which was attended by Foreign Ministry Secretary Albinas Januska, decided that it is essential to seek contacts with U.S. congressmen, and to urge the Lithuanian community to be more active in doing everything possible to ensure that Lithuania's name remains at least on the list of the candidates for NATO membership, or that an agreement on special membership with NATO could be signed.

A BALTIC NEWS SERVICE correspondent was told by Vytautas Pleckaitis, member of the Seimas Foreign Affairs Committee, that it has been decided to write to the members of the Foreign Affairs Committee of the U.S. House of Representatives expressing concern over this decision. According to Pleckaitis, it is very important that this letter be signed by a larger group of Seimas members. This letter should invite the congressmen who dealt with this issue to visit Lithuania, or, if they are unable to do this, should propose that Lithuanian parliamentary representatives visit the United States to meet with the congressmen on the issue of Lithuania's membership in NATO. [passage omitted]

IMF Mission Outlines Economic Achievements

WS0902122195 Tallinn BNS in English 1900 GMT 08 Feb 95

[FBIS Transcribed Text] Vilnius, Feb 08, BNS—The International Monetary Fund is pleased that Lithuania's economy is slowly finding its feet, a fact evidenced by lower inflation and growth of the gross domestic product, but is worried about certain results of government activities.

Adalbert Knobl, head of an IMF mission to Lithuania, made the announcement Tuesday at a meeting with Lithuanian President Algirdas Brazauskas. The meeting, held at the end of the mission's two-week stay in Lithuania, was attended by Prime Minister Adolfas Slezevicius and the central bank's chairman, Kazys Ratkevicius.

The IMF mission is preparing an annual report on the implementation of Lithuania's three-year economic memorandum, which was approved by the fund last fall. If observed, the memorandum gives access to 200 million U.S. dollars in loans from the IMF over a three-year period.

Knobl informed Lithuania's leaders about recommendations of IMF experts, who suggest to pay primary attention to problems in tax administration, which are the main cause of a considerable fiscal deficit.

IMF experts also advise the Lithuanian Government not to subsidize energy by repaying debts of energy consumers. The fund suggests to introduce a system of compensations for low-income families.

Knobl criticized Lithuania for excluding too many enterprises from the process of state property privatization. A list of 260 such enterprises was approved late last year.

Seventeen Parties Wish To Participate in Elections

WS0902104995 Vilnius ELTA in English 1811 GMT 08 Feb 95

[From "News Bulletin" No. 690]

[FBIS Transcribed Text] Vilnius, February 8. ELTA—Two more political parties filed applications to take part in municipal elections due to take place on March 25.

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Lithuanian peasants party reported to Chief Election Commission that it would put its candidates in 43 towns and districts, and centrist party—in 30 towns and districts.

Out of nineteen, seventeen political parties and organizations had already expressed wish to take part in municipal elections.

These are: national progress party, Lithuanian democratic labour party, Lithuanian liberty union, Lithuanian conservatives, Lithuanian nationalist union, christian democratic and social democratic parties, liberal union, democratic party, political prisoners and exiles union, Lithuanian national party "Jaunoji Lietuva" ("Young Lithuania"), Polish-Lithuanian election action, Lithuanian green party, independence party, peasants and centrist parties.

Lithuanian humanism party and ancestors revival party had not announced intentions to take part in municipal elections.

Applications could be filed till February 18. According to Chairman of Chief Election Commission Zenonas Vaigauskas, the Commission does not expect to receive more applications.

Clergy Not Allowed To Take Part in Elections

LD0802191295 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 8 Feb 95

[FBIS Translated Text] A meeting of the Lithuanian bishops' conference was held in Kaunas yesterday. It was attended by Cardinal Vincentas Sladkevicius, Archbishop Audrys Juozas Backis, and all Lithuanian bishops.

Keeping in mind the forthcoming elections and requests to allow priests to stand for election, the bishops decided to give the public a more detailed explanation of Church regulations on the participation of priests in politics.

The bishops urge believers to make decisions according to the teachings of the Church. The Church's canon law says that the clergy are forbidden to take up public duties which are linked with participation in the work of civil authorities. The work of local authorities obviously belongs to this sphere. The same canon continues: Clergymen must avoid everything which, although not unsuitable, is alien to the clergy. The aim of this regulation is not to separate the priests from public activity but to make the best possible use of their position for the benefit of the public. Priests' spiritual mission is to proclaim the truths of the Gospel, rise above political disputes, and help people to make decisions in the light of the Church's teachings.

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